

FARRELL MICHAEL A J

Form 4

August 31, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
FARRELL MICHAEL A J

2. Issuer Name **and** Ticker or Trading
Symbol
ANNALY CAPITAL
MANAGEMENT INC [NLY]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O ANNALY MORTGAGE
MANAGEMENT, INC., 1211
AVENUE OF THE AMERICAS,
SUITE 2902

3. Date of Earliest Transaction
(Month/Day/Year)
08/30/2006

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Pres., Chair & CEO

(Street)
NEW YORK, NY 10036

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D)	Price		
						1,918,054	D
Class A Preferred Stock						500	D
Class A Preferred Stock	08/30/2006		P	200 ⁽¹⁾	A \$ 24.4	200 ⁽¹⁾	I
							Michael Farrell, C/F Taylor Carolyn

Class A Preferred Stock	08/31/2006	P	1,800 (1)	A	\$ 24.8	1,800 (1)	I	Farrell Michael Farrell, C/F Taylor Carolyn Farrell
Class A Preferred Stock	08/31/2006	P	4,900 (1)	A	\$ 24.8	4,900 (1)	I	Michael Farrell, C/F Caitlin Farrell
Class A Preferred Stock	08/31/2006	P	1,100 (1)	A	\$ 24.81	1,100 (1)	I	Michael Farrell, C/F Caitlin Farrell
Class A Preferred Stock	08/31/2006	P	2,200 (1)	A	\$ 24.81	2,200 (1)	I	Michael Farrell, C/F Michael Edward Farrell

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. De
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to purchase Common Stock ⁽²⁾	\$ 8.13					07/31/1999	07/31/2008	Common Stock	56,900	

Option to purchase Common Stock ⁽²⁾	\$ 8.63	11/18/2000	11/18/2009	Common Stock	48,413
Option to purchase Common Stock ⁽²⁾	\$ 7.94	11/29/2001	11/29/2010	Common Stock	30,000
Option to purchase Common Stock ⁽²⁾	\$ 17.97	08/04/2004	08/04/2013	Common Stock	200,000
Option to purchase Common Stock ⁽²⁾	\$ 17.39	04/20/2005	04/20/2014	Common Stock	150,000
Option to purchase Common Stock ⁽²⁾	\$ 17.07	07/07/2006	07/07/2015	Common Stock	150,000
Option to purchase Common Stock ⁽²⁾	\$ 11.72	02/13/2007	02/13/2016	Common Stock	150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FARRELL MICHAEL A J C/O ANNALY MORTGAGE MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036	X		Pres., Chair & CEO	

Signatures

/s/ Michael A.J. Farrell 08/31/2006

^{**}Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares for purposes of Section 16 or for any other purpose.
- (2) Options previously granted.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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