

Diamond Jeremy  
Form 4  
March 02, 2011

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Diamond Jeremy

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)

3. Date of Earliest Transaction (Month/Day/Year)  
03/01/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
MANAGING DIRECTOR

C/O: ANNALY CAPITAL  
MANAGEMENT, INC., 1211  
AVENUE OF THE AMERICAS,  
SUITE 2902

(Street)

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

NEW YORK, NY 10036

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    | 03/01/2011                           |  | M                              | V<br>10,000<br>A  | \$<br>11.72<br>73,750   | D  |   |
| Common Stock                    |                                      |  |                                |   | 241   | I  | By Wife   |
| Common Stock                    |                                      |  |                                |   | 65  | I  | Jeremy<br>Diamond<br>C/F<br>Eleanor L.<br>Diamond     |

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|                 |     |   |   |
|-----------------|-----|---|---|
| Common<br>Stock | 458 | I | Jeremy<br>Diamond<br>C/F<br>Benjamin<br>L.<br>Diamond |
|-----------------|-----|---|---|

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

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(9-02)

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

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)     | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                 |                                  |
|---|---|---|---|---|--|--|---|-----------------|----------------------------------|
|   |   |   |   | Code                                    | V (A) (D)  | Date<br>Exercisable  | Expiration<br>Date  | Title           | Amount of<br>Number of<br>Shares |
| Option to<br>purchase<br>Common<br>Stock <sup>(1)</sup> | \$ 17.97  |   |   |   |  | 08/04/2004   | 08/04/2013  | Common<br>Stock | 20,000                           |
| Option to<br>purchase<br>Common<br>Stock <sup>(1)</sup> | \$ 17.39  |   |   |   |  | 04/19/2005   | 04/19/2014  | Common<br>Stock | 20,000                           |
| Option to<br>purchase<br>Common<br>Stock <sup>(1)</sup> | \$ 17.07  |   |   |   |  | 07/07/2006   | 07/07/2015  | Common<br>Stock | 30,000                           |
| Option to<br>purchase<br>Common<br>Stock <sup>(1)</sup> | \$ 11.72  | 03/01/2011                              |   | M                                       | 10,000   | 02/13/2007   | 02/13/2016  | Common<br>Stock | 10,000                           |
| Option to<br>purchase<br>Common<br>Stock <sup>(1)</sup> | \$ 15.7   |   |   |   |  | 05/17/2008   | 05/17/2017  | Common<br>Stock | 40,000                           |
| Option to<br>purchase                                   | \$ 16.46  |   |   |   |  | 05/08/2009   | 05/08/2018  | Common<br>Stock | 53,000                           |

Common  
Stock <sup>(1)</sup>

Option to  
purchase  
Common  
Stock <sup>(1)</sup>

\$ 15.61

09/19/2009 09/19/2018

Common  
Stock

53,000

Option to  
purchase  
Common  
Stock <sup>(1)</sup>

\$ 13.25

04/22/2010 04/22/2019

Common  
Stock

150,000

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                   |       |
|---|---------------|-----------|-------------------|-------|
|   | Director      | 10% Owner | Officer           | Other |
| Diamond Jeremy<br>C/O: ANNALY CAPITAL MANAGEMENT, INC.<br>1211 AVENUE OF THE AMERICAS, SUITE 2902<br>NEW YORK, NY 10036 |               |           | MANAGING DIRECTOR |       |

## Signatures

/s/ Jeremy  
Diamond

03/01/2011

\*\*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) Options previously granted.

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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