

FORTESCUE JAMES  
Form 4  
March 28, 2011

**FORM 4**

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

OMB APPROVAL

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**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 \*  
FORTESCUE JAMES

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)  
03/28/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
MD and Head of Liabilities

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 Ownership (Instr. 4)
Common Stock	03/28/2011		M	5,968 A	\$ 11.72	95,261 D	

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

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SEC 1474 (9-02)

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**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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97							08/04/2004	08/04/2013	Common Stock	20,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39							04/20/2005	04/20/2014	Common Stock	20,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07							07/07/2006	07/07/2015	Common Stock	30,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 11.72	03/28/2011		M		5,968		02/13/2007	02/13/2016	Common Stock	5,968
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.7							05/17/2008	05/17/2017	Common Stock	40,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 16.46							05/08/2009	05/08/2018	Common Stock	53,000
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	145,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FORTESCUE JAMES C/O: ANNALY CAPITAL MANAGEMENT INC 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036			MD and Head of Liabilities	

## Signatures

/s/ James P.  
Fortescue

03/28/2011

\*\*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.

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