

Kazel Ronald Daniel  
 Form 5  
 January 20, 2012

**FORM 5**

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

OMB APPROVAL

OMB Number: 3235-0362  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

1. Name and Address of Reporting Person \*  
 Kazel Ronald Daniel

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

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Managing Director

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2011

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 Reporting  
 (check applicable line)

NEW YORK, NY 10036

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) | (A) or (D) | Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------|--|--|-----------------------------------|
| Common Stock                    | ^                                    | ^  | ^                              | ^   | ^          | ^     | 156,938  | D  | ^                                 |
| Common Stock                    | ^                                    | ^  | ^                              | ^   | ^          | ^     | 755  | I  | By Wife                           |
| Common Stock                    | ^                                    | ^  | ^                              | ^   | ^          | ^     | 2,833  | I  | By 401(K) plan                    |

Edgar Filing: Kazel Ronald Daniel - Form 5

Class A Preferred Stock     Â                     Â                     Â                     Â                     Â                     Â                     4,400                     I                     By 401(K) plan

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 2270 (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) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|------------------|---|--------------|----------------------------|
|  |  |                                      |  |                                | (A)   | (D)  | Date Exercisable | Expiration Date   | Title        | Amount or Number of Shares |
| Option to purchase Common Stock                | \$ 17.97   | Â                                    | Â  | Â                              | Â   | Â  | 08/04/2004       | 08/04/2013  | Common Stock | 15,000                     |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 17.39   | Â                                    | Â  | Â                              | Â   | Â  | 04/19/2005       | 04/19/2014  | Common Stock | 13,251                     |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 17.07   | Â                                    | Â  | Â                              | Â   | Â  | 07/07/2006       | 07/07/2015  | Common Stock | 23,377                     |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 15.7  | Â                                    | Â  | Â                              | Â   | Â  | 05/17/2008       | 05/17/2017  | Common Stock | 10,000                     |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 16.46   | Â                                    | Â  | Â                              | Â   | Â  | 05/08/2009       | 05/08/2018  | Common Stock | 53,000                     |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 15.61   | Â                                    | Â  | Â                              | Â   | Â  | 09/19/2009       | 09/19/2018  | Common Stock | 53,000                     |

