

ANNALY CAPITAL MANAGEMENT INC  
 Form 4  
 August 11, 2008

**FORM 4**

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

OMB APPROVAL

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

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 \*  
 DENAHAN WELLINGTON

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)  
 08/11/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Vice Chairman of Board & CIO

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)
				(A) or (D)	Price		
Common Stock					419,988	D	
Common Stock	08/11/2008		M	30,000	A \$ 8.63	30,000	D
Common Stock	08/11/2008		M	13,275	A \$ 7.94	13,275	D

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 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)	
					V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to purchase Common Stock <sup>(1)</sup>	\$ 8.63	08/11/2008		M		30,000	11/18/2000	11/18/2009	Common Stock	30,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 7.94	08/11/2008		M		13,275	11/29/2001	11/29/2010	Common Stock	13,275
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97						08/04/2004	08/04/2013	Common Stock	150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39						04/19/2005	04/19/2014	Common Stock	150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07						07/07/2006	07/07/2015	Common Stock	150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 11.72						02/13/2007	02/13/2016	Common Stock	150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.7						05/17/2008	05/17/2017	Common Stock	150,000
	\$ 16.46						05/08/2009	05/08/2018		200,000

Option to  
purchase  
Common  
Stock (1)

Common  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DENAHAN WELLINGTON C/O: ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036	X		Vice Chairman of Board & CIO	

## Signatures

/s/ Wellington  
Denahan-Norris

08/11/2008

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