

FARRELL MICHAEL A J

Form 4

November 25, 2008

**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  
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(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 CAPITAL  
MANAGEMENT, INC., 1211  
AVENUE OF THE AMERICAS,  
SUITE 2902

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/20/2008

☒ Director ☐ 10% Owner  
☒ Officer (give title below) ☐ Other (specify below)  
Pres., Chairman of Board & 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)	2,021,454	D	
Class A Preferred Stock	11/20/2008		P	2,000	\$ 17.78 (3)	3,500	D
Class A Preferred Stock					2,000 (1)	I	Michael Farrell C/F Taylor Carolyn

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Class A Preferred Stock	6,000 <sup>(1)</sup>	I	Farrell Michael Farrell C/F Caitlin Farrell
Class A Preferred Stock	6,200 <sup>(1)</sup>	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. Deemed Exercise Date (Instr. 3)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to purchase Common Stock <sup>(2)</sup>	\$ 8.63					11/18/2000	11/18/2009	Common Stock	3,413	
Option to purchase Common Stock <sup>(2)</sup>	\$ 7.94					11/29/2001	11/29/2010	Common Stock	22,500	
Option to purchase Common Stock <sup>(2)</sup>	\$ 17.97					08/04/2004	08/04/2013	Common Stock	200,000	
Option to purchase Common	\$ 17.39					04/19/2005	04/19/2014	Common Stock	150,000	

Stock (2)

Option to purchase Common Stock <u>(2)</u>	\$ 17.07	07/07/2006	07/07/2015	Common Stock	150,000
Option to purchase Common Stock <u>(2)</u>	\$ 11.72	02/13/2007	02/13/2016	Common Stock	150,000
Option to purchase Common Stock <u>(2)</u>	\$ 15.7	05/17/2008	05/17/2017	Common Stock	150,000
Option to purchase Common Stock <u>(2)</u>	\$ 16.46	05/08/2009	05/08/2018	Common Stock	200,000
Option to purchase Common Stock <u>(2)</u>	\$ 15.61	09/19/2009	09/19/2018	Common Stock	200,000

## Reporting Owners

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

## Signatures

/s/ Michael AJ  
Farrell 11/20/2008

    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) 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.
- (3) Multiple executions - purchase price shown represents the weighted average price for all purchases. Execution prices ranged from \$17.56 to \$18.03 per share. The reporting person undertakes to provide upon request full information regarding the number of shares purchased

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at each separate price.

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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