

BRADY KEVIN  
Form 5  
February 15, 2011

**FORM 5**

**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).  
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 \*  
BRADY KEVIN

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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)	Amount	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	12/31/2010		G <sup>(1)</sup>	750	D	\$ 0	62,400	D		
Common Stock	12/31/2010		G <sup>(1)</sup>	750	D	\$ 0	61,650	D		
Common Stock	12/15/2010		G <sup>(2)</sup>	42,500	D	\$ 0	19,150	D		

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Common Stock      12/15/2010      Â      G<sup>(2)</sup>      42,500      A      \$ 0      42,500      I      By wife

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

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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)	8. Amount or Number of Shares
Option to purchase Common Stock <sup>(3)</sup>	\$ 17.97	Â	Â	Â	Â	08/04/2004 08/04/2013	Common Stock	15,000
Option to purchase Common Stock <sup>(3)</sup>	\$ 17.39	Â	Â	Â	Â	04/20/2005 04/20/2014	Common Stock	15,000
Option to purchase Common Stock <sup>(3)</sup>	\$ 17.07	Â	Â	Â	Â	07/07/2006 07/07/2015	Common Stock	15,000
Option to purchase Common Stock <sup>(3)</sup>	\$ 16.46	Â	Â	Â	Â	05/08/2009 05/08/2018	Common Stock	20,000
Option to purchase Common Stock <sup>(3)</sup>	\$ 15.61	Â	Â	Â	Â	09/19/2009 09/19/2018	Common Stock	10,000
Option to purchase Common Stock <sup>(3)</sup>	\$ 13.25	Â	Â	Â	Â	04/22/2010 04/22/2019	Common Stock	37,500

Option to purchase Common Stock <sup>(3)</sup>	\$ 17.24	Â	Â	Â	Â	Â	06/28/2010	06/28/2015	Common Stock	1,250
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRADY KEVIN C/O ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS SUITE 2902 NEW YORK, NY 10036	Â X	Â	Â	Â

## Signatures

/s/ Kevin Brady                      02/14/2011

\_\_Signature of                      Date  
Reporting Person

## 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 no longer has a reportable beneficial interest in shares owned by his daughter who does not share the same household as the reporting person and included in the reporting person's prior ownership reports. The reporting person disclaims beneficial ownership of the shares held by his daughter, and this report should not be deemed an admission that the reporting person is the beneficial owner of his daughter's shares for purposes of Section 16 or for any other purpose.
  - (2) This transaction involved the gift by the reporting person to his wife who shares the same household as the reporting person. The reporting person disclaims beneficial ownership of the shares held by his wife, and this report should not be deemed an admission that the reporting person is the beneficial owner of his wife's shares for purposes of Section 16 or for any other purpose.
  - (3) Options previously granted.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.