

ANNALY CAPITAL MANAGEMENT INC
 Form 4
 February 19, 2008

FORM 4 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).

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

(Last) (First) (Middle)

C/O: ANNALY CAPITAL
 MANAGEMENT, INC., 1211
 AVENUE OF THE AMERICAS,
 SUITE 2902

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/19/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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) Code V Amount (D) Price			
Common Stock	02/19/2008		M	3,500 A	\$ 8.63	61,261 D	

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

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 (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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to purchase Common Stock ⁽¹⁾	\$ 8.63	02/19/2008		M	3,500	11/18/2000 11/18/2009	Common Stock	3,500	
Option to purchase Common Stock ⁽¹⁾	\$ 17.97					08/04/2004 08/04/2013	Common Stock	20,000	
Option to purchase Common Stock ⁽¹⁾	\$ 17.39					04/20/2005 04/20/2014	Common Stock	20,000	
Option to purchase Common Stock ⁽¹⁾	\$ 17.07					07/07/2006 07/07/2015	Common Stock	30,000	
Option to purchase Common Stock ⁽¹⁾	\$ 11.72					02/13/2007 02/13/2016	Common Stock	38,250	
Option to purchase Common Stock ⁽¹⁾	\$ 15.7					05/17/2008 05/17/2017	Common Stock	40,000	

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			EVP and Head of Liabilities	

NEW YORK, NY 10036

Signatures

/s/ James P.
Fortescue

02/19/2008

__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.

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