

DENAHAN WELLINGTON  
 Form 4  
 May 21, 2007

**FORM 4**

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

OMB APPROVAL

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**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)  
 05/17/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Vice Chrmn. & Chief Inv. Off.

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock                    |                                      |  |                                | (A) or (D) Price  | 365,616   | D  |                                   |

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

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SEC 1474 (9-02)

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**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 Number Shares                                    |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 8.13  |                                      |  |                                |   | 07/19/1999 07/31/2008                                    | Common Stock 35,37  |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 8.63  |                                      |  |                                |   | 11/18/2000 11/18/2009                                    | Common Stock 30,00  |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 7.94  |                                      |  |                                |   | 11/29/2001 11/29/2010                                    | Common Stock 13,27  |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 17.97   |                                      |  |                                |   | 08/04/2004 08/04/2013                                    | Common Stock 150,00   |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 17.39   |                                      |  |                                |   | 04/20/2005 04/20/2014                                    | Common Stock 150,00   |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 17.07   |                                      |  |                                |   | 07/07/2006 07/07/2015                                    | Common Stock 150,00   |
| Option to purchase Common Stock <sup>(1)</sup> | \$ 11.72   |                                      |  |                                |   | 02/13/2007 02/13/2016                                    | Common Stock 150,00   |
| Option to purchase Common Stock <sup>(2)</sup> | \$ 15.7  | 05/17/2007                           |  | A                              | 150,000   | 05/17/2008 05/17/2017                                    | Common Stock 150,00   |

