

LAMBIASE MATTHEW
 Form 5
 January 20, 2012

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 *
 LAMBIASE MATTHEW

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)
 12/31/2011

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

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)	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	^	^	^	^	^	^	32,637	D	^
Common Stock	^	^	^	^	^	^	6,928	I	By 401(k) Plan
Class A Preferred	^	^	^	^	^	^	2,500	D	^

Stock

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)	8. Amount or Number of Shares
						(A)	(D)		
Option to purchase Common Stock ⁽¹⁾	\$ 17.07	Â	Â	Â	Â	Â	07/07/2006 07/07/2015	Common Stock	20,000
Option to purchase Common Stock ⁽¹⁾	\$ 15.7	Â	Â	Â	Â	Â	05/17/2008 05/17/2017	Common Stock	17,363
Option to purchase Common Stock ⁽¹⁾	\$ 16.46	Â	Â	Â	Â	Â	05/08/2009 05/08/2018	Common Stock	26,000
Option to purchase Common Stock ⁽¹⁾	\$ 15.61	Â	Â	Â	Â	Â	09/19/2009 09/19/2018	Common Stock	26,000
Option to purchase Common Stock ⁽¹⁾	\$ 13.25	Â	Â	Â	Â	Â	04/22/2010 04/22/2019	Common Stock	35,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LAMBIASE MATTHEW
C/O ANNALY CAPITAL MANAGEMENT, INC. ^ ^ ^ Managing Director ^
1211 AVENUE OF THE AMERICAS SUITE 2902
NEW YORK, NY 10036

Signatures

/s/ Matthew 01/20/2012
Lambiase

__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) 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.