

Diamond Jeremy
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 *
Diamond Jeremy

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 | ^ | ^ | ^ | ^ | ^ | ^ | 86,989 | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 241 | I | By Wife |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 65 | I | Jeremy Diamond |

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| | | | | | | | | | |
|--------------|---|---|---|---|---|---|-----|---|-------------------------------------------------------------------------------------------|
| Common Stock | Â | Â | Â | Â | Â | Â | 529 | I | C/F Eleanor L. Diamond Jeremy Diamond C/F Benjamin L. Diamond |
|--------------|---|---|---|---|---|---|-----|---|-------------------------------------------------------------------------------------------|

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) | |
|------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|-----|----------------------------------------------------------|-----------------|---------------------------------------------------------------|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option to purchase Common Stock ⁽¹⁾ | \$ 17.97 | Â | Â | Â | Â | Â | 08/04/2004 | 08/04/2013 | Common Stock | 20,000 |
| Option to purchase Common Stock ⁽¹⁾ | \$ 17.39 | Â | Â | Â | Â | Â | 04/19/2005 | 04/19/2014 | Common Stock | 20,000 |
| Option to purchase Common Stock ⁽¹⁾ | \$ 17.07 | Â | Â | Â | Â | Â | 07/07/2006 | 07/07/2015 | Common Stock | 30,000 |
| Option to purchase Common Stock ⁽¹⁾ | \$ 15.7 | Â | Â | Â | Â | Â | 05/17/2008 | 05/17/2017 | Common Stock | 40,000 |
| Option to purchase Common | \$ 16.46 | Â | Â | Â | Â | Â | 05/08/2009 | 05/08/2018 | Common Stock | 53,000 |

| | | | | | | | | | | | |
|------------------------------------------------|----------|---|---|---|---|---|------------|------------|--------------|---------|--|
| Stock ⁽¹⁾ | | | | | | | | | | | |
| Option to purchase Common Stock ⁽¹⁾ | \$ 15.61 | ^ | ^ | ^ | ^ | ^ | 09/19/2009 | 09/19/2018 | Common Stock | 53,000 | |
| Option to purchase Common Stock ⁽¹⁾ | \$ 13.25 | ^ | ^ | ^ | ^ | ^ | 04/22/2010 | 04/22/2019 | Common Stock | 147,617 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|------------------------------------------------------------------------------------------------------------------------|---------------|-----------|---------|---------------------|
| | Director | 10% Owner | Officer | Other |
| Diamond Jeremy C/O ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036 | ^ | ^ | ^ | MANAGING DIRECTOR ^ |

Signatures

/s/ Jeremy Diamond 01/20/2012

^{**}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.

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