

ANNALY CAPITAL MANAGEMENT INC
Form PRE 14A
March 29, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

- Filed by the Registrant [X]
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Check the appropriate box:
 [X] Preliminary Proxy Statement
 [] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
 [] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material under Rule 14a-12

Annaly Capital Management, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No. :

(3) Filing Party:

(4) Date Filed:



NOTICE OF ANNUAL MEETING OF ANNALY STOCKHOLDERS

To be Held May 26, 2011

To the Stockholders of Annaly Capital Management, Inc.:

We will hold the annual meeting of the stockholders of Annaly on May 26, 2011, at 9:00 a.m., New York time, at the New York Marriott Marquis, 1535 Broadway, New York, New York 10036, to consider and vote on the following proposals:

election of three directors for a term of three years each;

approval of an amendment of our charter to increase the number of authorized shares of capital stock to 2,000,000,000 shares;

approval of a non-binding advisory resolution on our executive compensation;

recommendation, by a non-binding advisory vote, for the frequency of advisory votes on our executive compensation;

ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2011; and

any other matters as may properly come before our annual meeting or any adjournment or postponement thereof.

We will transact no other business at the annual meeting, except for business properly brought before the annual meeting or any adjournment or postponement of it by our board of directors.

Only our common stockholders of record at the close of business on March 30, 2011, the record date for the annual meeting, may vote at the annual meeting and any adjournments or postponements of it. A complete list of our common stockholders of record entitled to vote at the annual meeting will be available for inspection during the 10 business days before the annual meeting at our executive offices during ordinary business hours for proper purposes.

Your vote is very important. If you do not provide voting instructions, your shares will not be voted or counted on several important matters. We urge you to vote soon after you receive these proxy materials, which explain how to vote via mail, phone or Internet.

ANNUAL MEETING ADMISSION: If you attend the annual meeting in person, you will need to present your admission ticket, or an account statement showing your ownership of our common stock as of the record date, and valid government-issued photo identification. The indicated portion of your proxy card or voter instruction card will serve as your admission ticket.

Our board of directors recommends that you vote:

“FOR” the election of each of the nominees as directors;

“FOR” the proposal to increase the number of authorized shares of capital stock to 2,000,000,000 shares;

“FOR” approval of the non-binding advisory resolution on executive compensation;

“FOR EVERY THREE YEARS” with regard to the frequency of the shareowner vote to approve our executive compensation; and

“FOR” the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2011.

By Order of the Board of Directors,

R. Nicholas Singh
Secretary

April , 2011
New York, New York

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting May 26, 2011. Our Proxy Statement and
2010 Annual Report to Stockholders are available at www.proxyvote.com.

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ANNALY CAPITAL MANAGEMENT, INC.
1211 AVENUE OF THE AMERICAS, SUITE 2902
NEW YORK, NEW YORK 10036

2011 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

Annaly Capital Management, Inc. (“we”, “our” or “us”) is furnishing this proxy statement in connection with our solicitation of proxies to be voted at our 2011 annual meeting of stockholders. We will hold the annual meeting at the New York Marriott Marquis, 1535 Broadway, New York, New York 10036, on Thursday, May 26, 2011 at 9:00 a.m. New York time, and any postponements or adjournments thereof. We are sending this proxy statement and the enclosed proxy to our stockholders commencing on or about April 20, 2011. Our principal executive offices are located at 1211 Avenue of the Americas, Suite 2902, New York, New York 10036.

QUESTIONS AND ANSWERS ABOUT THE MEETING

Q: What am I voting on?

- A: (1) Election of three directors, Michael A. J. Farrell, Jonathan D. Green and John A. Lambiase, for terms of three years;
- (2) A proposal to amend our charter to increase the number of authorized shares of capital stock to 2,000,000,000 shares;
- (3) Approval of a non-binding advisory resolution on our executive compensation;
- (4) A recommendation, by a non-binding advisory vote, for the frequency of advisory votes on our executive compensation; and
- (5) Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2011.

Q: What is the proposed charter amendment?

A: Our charter currently allows us to issue up to a combined total of 1,000,000,000 shares of capital stock, par value \$0.01 per share. As of March 30, 2011 we had _____ shares of common stock and _____ shares of preferred stock issued and outstanding. To retain the ability to issue additional shares, we seek to increase the number of shares we are currently authorized to issue. The proposed amendment of our charter raises the total number of authorized shares we are permitted to issue from 1,000,000,000 shares to 2,000,000,000 shares.

Q: How does the board of directors recommend that I vote on these proposals?

A: Our board of directors recommends that you vote:

- (1) "FOR" the election of each of the nominees as directors;
- (2) "FOR" the proposal to amend our charter to increase the number of authorized shares of capital stock to 2,000,000,000 shares;
- (3) "FOR" approval of the non-binding advisory resolution on executive compensation;
- (4) "FOR EVERY THREE YEARS" with regard to the frequency of the shareholder vote to approve our executive compensation; and
- (5) "FOR" the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2011.

Q: Who is entitled to vote at the meeting?

A: Only common stockholders of record as of the close of business on March 30, 2011, the record date, are entitled to vote at the meeting.

Q: What quorum is required for the meeting?

A: A quorum will be present at the annual meeting if a majority of the votes entitled to be cast are present, in person or by proxy. Since there were _____ eligible votes as of the record date, we will need at least _____ votes present in person or by proxy at the annual meeting for a quorum to exist. If a quorum is not present at the annual meeting, we expect that the annual meeting will be adjourned to solicit additional proxies. Holders of record of our common stock on the record date are entitled to one vote per share.

Q: What are the voting requirements that apply to the proposals discussed in this proxy statement?

A:	Proposal	Vote Required	Discretionary Voting Allowed?
(1)	Election of directors	Majority	No
(2)	Amendment of our charter	Majority	No
(3)	Advisory vote on our executive compensation	Majority	No
(4)	Advisory vote for the frequency of advisory votes on our executive compensation	Plurality	No
(5)	Ratification of the appointment of Deloitte & Touche LLP	Majority	Yes

“Majority” means (a) with regard to the election of directors, the affirmative vote of a majority of all the votes cast on the election of a director on a per director basis; provided, however, that in an election of directors, if the number of nominees exceeds the number of directors to be elected at such meeting, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting; (b) with regard to the proposed amendment to our charter, a majority of the total number of issued and outstanding shares of our common stock; and (c) with regard to the advisory resolution on our executive compensation and the ratification of the appointment of Deloitte & Touche LLP, a majority of the votes cast at the annual meeting.

“Plurality” means, with regard to the advisory vote on the frequency of the shareowner vote on executive compensation, the option (every one, two or three years) receiving the greatest number of “for” votes will be considered the frequency recommended by stockholders.

“Discretionary voting” occurs when a bank, broker, or other holder of record does not receive voting instructions from the beneficial owner and votes those shares in its discretion on any proposal as to which the rules of the New York Stock Exchange permit such bank, broker, or other holder of record to vote. When banks, brokers, and other holders of record are not permitted under the New York Stock Exchange rules to vote the beneficial owner’s shares, the affected shares are referred to as broker “non-votes.”

Q: What is the effect of abstentions and broker “non-votes”?

A: Abstentions will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. An abstention is the voluntary act of not voting by a stockholder who is present at a meeting and entitled to vote. Broker “non-votes” will be treated as present and entitled to vote for purposes of determining the presence of a quorum at the annual meeting.

Abstentions and broker non-votes, if any, will have no effect on the election of the directors (Proposal No. 1), the advisory resolution on our executive compensation (Proposal No. 3), the advisory vote for the frequency of advisory votes on our executive compensation (Proposal No. 4) and the ratification of the appointment of Deloitte & Touche LLP (Proposal No. 5). For purposes of the vote to approve the amendment to our charter (Proposal No. 2), abstentions and broker non-votes will have the same effect as votes against the proposal.

Q: How will my shares be voted if I do not specify how they should be voted?

A: Properly executed proxies that do not contain voting instructions will be voted as follows:

- (1) Proposal 1: FOR the election of directors;
- (2) Proposal 2: FOR the approval of the amendment of our charter;
- (3) Proposal 3: FOR the approval of a non-binding advisory resolution on our executive compensation;
- (4) Proposal 4: FOR EVERY THREE YEARS with regard to the frequency of the shareowner vote to approve our executive compensation; and
- (5) Proposal 5: FOR the ratification of Deloitte & Touche LLP as our independent registered public accounting firm.

The individuals named as proxies by a stockholder may vote for one or more adjournments of the annual meeting, including adjournments to permit further solicitations of proxies.

We do not expect that any matter other than the proposals described above will be brought before the annual meeting. If, however, other matters are properly presented at the annual meeting, the individuals named as proxies will vote in accordance with the recommendation of our board of directors.

Q: What do I do if I want to change my vote?

A: You may revoke a proxy at any time before it is voted by filing with us a duly executed revocation of proxy, by submitting a duly executed proxy to us with a later date or by appearing at the annual meeting and voting in person. You may revoke a proxy by any of these methods, regardless of the method used to deliver your previous proxy. Attendance at the annual meeting without voting will not itself revoke a proxy.

Q: How will voting on any other business be conducted?

A: Other than the five proposals described in this proxy statement, we know of no other business to be considered at the annual meeting. If any other matters are properly presented at the meeting, your signed proxy card authorizes Michael A.J. Farrell, our Chairman of the Board, Chief Executive Officer, and President, and R. Nicholas Singh, our Secretary, to vote on those matters according to their best judgment.

Q: Who will count the vote?

AMC

Charter

provides

full

planeload

cargo and passenger charter flights to

the U.S. military

Cost-plus business

Commercial

Charter

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Commercial Charter segment provides

full planeload cargo and passenger

charter services to charter brokers, freight

forwarders, direct shippers, and airlines

Dry Leasing

--

Provides aircraft and engine dry leasing

solutions to third parties

Other Services

--

Selected by the U.S. government to train

pilots who fly the President on Air Force One

Core Business Segments

Note:

(1) Excludes ferry block hours

(2) Aircraft, Crew, Maintenance, Insurance.

(3) Crew, Maintenance, Insurance

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747-8F Financings in Place

2012 record-low

fixed-rate coupons of:

19

In aggregate:

\$200+ million in cash from deliveries

Under 3% coupon

IRR in excess of 30%

2013 and 2014

fixed-rate coupons of:

1.83%

2.67%

2.02%,

1.73%,

1.56%,

and

1.48%

Capital Allocation Strategy
Committed to creating, enhancing,
returning value
to our stockholders
Repurchased 1,723,577 shares,
6.5% of outstanding stock,
in
2013

Current
authorization
to

repurchase up to **\$60 million**

Cash prioritization:

Balance sheet maintenance

Business investment

Share repurchases

20

Deliver superior service quality
to our customers
Expand our ACMI and CMI business
Maximize our AMC and Commercial
Charter business opportunities
Achieve Continuous Improvement
savings and efficiencies
Develop Titan (dry leasing)

platform

Execute share repurchase program

2014 Operational Goals and Objectives

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In other

words

Drive Value

for Stockholders