

Fortress Investment Group LLC
Form DEF 14A
April 30, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
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| <input type="checkbox"/> | Definitive Additional Materials | | |
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FORTRESS INVESTMENT GROUP LLC

(Name of Registrant as Specified in Its Charter)

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

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(4) Date Filed:

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Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

April 30, 2010

Dear Fellow Shareholders:

On behalf of your Board of Directors, I am pleased to invite you to attend the 2010 Annual Meeting of Shareholders of Fortress Investment Group LLC. This meeting will be held on June 8, 2010, at 8:00 AM Eastern Daylight Time, at The London Hotel, St. James Room, 151 West 54th Street, New York, New York.

The Notice of 2010 Annual Meeting of Shareholders and proxy statement that follow describe the business to be conducted at the meeting.

Your vote is important. Whether or not you plan to attend, please vote by Internet, telephone, or mark, sign, date, and return your proxy card, so that your shares are represented at the meeting.

If you plan to attend the meeting, please check the Annual Meeting box on your proxy card so that we may send you an admission card.

PLEASE NOTE THAT YOU MUST FOLLOW THESE INSTRUCTIONS IN ORDER TO ATTEND AND BE ABLE TO VOTE AT THE ANNUAL MEETING: All Shareholders may vote in person at the Annual Meeting. In addition, any shareholder may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person as the proxy with power to vote your shares on your behalf. **If you are a beneficial owner of shares, you must take the following three steps in order to be able to attend and vote at the Annual Meeting: (1) obtain a legal proxy from your broker, bank or other holder of record and present this legal proxy to the inspector of elections along with your ballot, (2) contact our Investor Relations department to obtain an admission card and present this admission card to the inspector of elections and (3) present an acceptable form of photo identification, such as a driver's license or passport, to the inspector of elections.**

Sincerely,

Peter L. Briger, Jr. and Wesley R. Edens

Co-Chairmen of the Board

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Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

Notice of 2010 Annual Meeting of Shareholders

To Our Shareholders:

Fortress Investment Group LLC will hold its 2010 Annual Meeting of Shareholders (the Annual Meeting) at The London Hotel, St. James Room, 151 West 54th Street, New York, New York on June 8, 2010 at 8:00 AM Eastern Daylight Time.

The matters to be considered and acted upon at the Annual Meeting, which are described in detail in the accompanying materials, are:

1. the election of four Class III directors, Peter L. Briger, Jr., Wesley R. Edens, Douglas L. Jacobs and Daniel H. Mudd, to serve until the 2013 annual meeting;
2. the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for Fortress Investment Group LLC for fiscal year 2010; and
3. any other business properly presented at the Annual Meeting.

Your Board of Directors recommends that you vote in favor of the proposals set forth in this Proxy Statement.

You may vote at the Annual Meeting if you were a shareholder of record at the close of business on April 12, 2010.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote by Internet, telephone, or mark, sign, date, and return your proxy card, so that your shares are represented at the Annual Meeting.

By Order of the Board of Directors,

David N. Brooks

Vice President, General Counsel and Secretary

New York, New York

April 30, 2010

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Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

April 30, 2010

PROXY STATEMENT

For 2010 Annual Meeting of Shareholders To Be Held On

June 8, 2010

GENERAL INFORMATION ABOUT THE MEETING

Date, Time and Place of Annual Meeting. The Board of Directors (the Board, board or board of directors) of Fortress Investment Group LLC, a Delaware limited liability company (Fortress, the Company, we, us or our), is soliciting proxies to be voted at the 2010 Annual Meeting of Shareholders (the Annual Meeting) to be held at 8:00 AM Eastern Daylight Time, on June 8, 2010, at The London Hotel, St. James Room, 151 West 54th Street, New York, New York for the purposes set forth in the accompanying Notice of 2010 Annual Meeting of Shareholders, and at any adjournment or postponement of the Annual Meeting.

The Notice of 2010 Annual Meeting of Shareholders, Proxy Statement, form of proxy and voting instructions are first being mailed on or about April 30, 2010.

Matters to be Considered at the Annual Meeting. At the Annual Meeting, shareholders will vote upon the following matters:

1. the election of four Class III directors, Peter L. Briger, Jr., Wesley R. Edens, Douglas L. Jacobs and Daniel H. Mudd, to serve until the 2013 annual meeting;
2. the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for fiscal year 2010; and
3. any other business properly presented at the Annual Meeting.

Recommendations of the Board of Directors. The Board recommends a vote:

FOR the election of the director nominees named herein; and

FOR the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for fiscal year 2010.

Record Date. Our Board has fixed the close of business on April 12, 2010 as the record date (the Record Date) for determination of the shareholders entitled to notice and to vote at the Annual Meeting. Only shareholders of record as of the close of business on the Record Date are entitled to vote at the Annual Meeting.

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Voting Securities. Holders of our Class A shares and our Class B shares, as recorded in our share register at the close of business on the Record Date, may vote at the Annual Meeting and any adjournment or postponement thereof. As of the Record Date, there were 158,836,075 Class A shares and 300,273,852 Class B shares outstanding.

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On each matter to be voted upon, the Class A shares and Class B shares will vote together as a single class. Each holder of Class A shares is entitled to one vote per share, and each holder of Class B shares is entitled to one vote per share. As of the Record Date, the Company's five principals (Peter L. Briger, Jr., Wesley R. Edens, Robert I. Kauffman, Randal A. Nardone and Michael E. Novogratz) own (a) 5,486,895 Class A shares and (b) all of our outstanding Class B shares and, therefore, are entitled to vote these shares. As a result of their share ownership, the principals collectively have the ability to decide all matters to be voted upon at the Annual Meeting.

Quorum and Votes Needed. A majority of outstanding shares present at the Annual Meeting, either in person or by proxy, and entitled to vote thereat, shall constitute a quorum for the transaction of business. In accordance with our Third Amended and Restated Limited Liability Company Agreement (the "Operating Agreement"), the Annual Meeting may be adjourned from time to time by the chairman of the meeting to another place or time, without regard to the presence of a quorum.

For the election of nominees to our Board, the affirmative vote of a plurality of the votes cast for a particular position is required for approval of the matter. Thus, the four nominees with the greatest number of votes will be elected. For the ratification of the appointment of Ernst & Young LLP and the approval of any other business properly presented at the Annual Meeting, the affirmative vote of a majority of the votes cast affirmatively is required for approval of the matter. A shareholder voting for the election of directors may withhold authority to vote for all or certain nominees. A shareholder may also abstain from voting on the other matters presented for shareholder vote. Votes withheld from the election of any nominee for director and abstentions from any other proposal will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but will not be counted in the number of votes cast on a matter.

We will not count shares that abstain from voting on a particular matter or broker non-votes as votes in favor of such matter. In the election of directors, abstentions and broker non-votes will be disregarded and will have no effect on the outcome of vote because abstentions and broker non-votes are not considered to be votes cast under our Operating Agreement or the laws of Delaware. With respect to the ratification of the appointment of Ernst & Young LLP, abstentions and broker non-votes will be disregarded and will have no effect on the outcome of the vote for the same reasons. If a shareholder holds shares through a broker, bank or other nominee ("broker"), generally the broker may vote the shares it holds in accordance with instructions received. If a shareholder does not give instructions to a broker, the broker can vote the shares it holds with respect to "discretionary" or routine proposals under the rules of the New York Stock Exchange ("NYSE"). A broker cannot vote shares with respect to non-discretionary proposals for which a shareholder has not given instruction. The proposal to appoint Ernst & Young LLP as the Company's independent registered public accounting firm is considered a "discretionary" proposal and, therefore, may be voted upon by your broker even if you do not instruct your broker. The proposal to elect directors is no longer considered to be a "discretionary" or routine proposal. As a result, the proposal cannot be voted upon by your broker if you do not instruct your broker as to how to vote on the proposal.

Voting of Proxies. You may vote by any one of the following means:

By Mail

To vote by mail, please sign, date and complete the proxy card and return it in the enclosed self-addressed envelope. No postage is necessary if the proxy card is mailed in the United States. If you hold your shares through a bank, broker or other nominee, it will give you separate instructions for voting your shares.

By Telephone or on the Internet

The telephone and Internet voting procedures established for shareholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

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You can vote by calling the toll-free telephone number on your proxy card (1-800-690-6903). Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet voting is www.proxyvote.com. Please have your proxy card in hand when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded.

Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 p.m. Eastern Daylight Time on June 7, 2010.

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive from those parties.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction card.

In Person, at the Annual Meeting

All shareholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must take the following three steps in order to be able to attend and vote at the Annual Meeting: (1) obtain a legal proxy from your broker, bank or other holder of record and present this legal proxy to the inspector of elections along with your ballot, (2) contact our Investor Relations department to obtain an admission card and present the admission card to the inspector of elections and (3) present an acceptable form of photo identification, such as a driver's license or passport to the inspector of elections.

Shareholders who do not attend the Annual Meeting in person may submit proxies by mail. These proxies, if received in time for voting, properly executed and not revoked, will be voted at the Annual Meeting in accordance with the instructions contained therein. If no instructions are indicated, the shares represented by the proxy will be voted as follows:

FOR the election of the director nominees named herein;

FOR the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for fiscal year 2010; and

in accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting, including any adjournments and postponements thereof.

Revocability of Proxy. Any shareholder returning a proxy may revoke it at any time before the proxy is exercised by (i) sending a written notice to the Secretary of the Company at the address below; (ii) timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or (iii) voting in person at the Annual Meeting. The powers of the proxy holders will be suspended if you attend the Annual Meeting in person and so request, although attendance at the Annual Meeting will not by itself revoke a previously granted proxy. Any proxy not revoked will be voted as specified by the shareholder. If no choice is indicated, a proxy will be voted in accordance with the Board's recommendations.

Fortress Investment Group LLC

1345 Avenue of the Americas

46th Floor

New York, NY 10105

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Attention: David N. Brooks, Secretary

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Persons Making the Solicitation. This proxy statement is sent on behalf of, and the proxies are being solicited by, the Board of Fortress. We will bear all costs of the solicitation of proxies. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by mail, telephone, teletype, e-mail and personal interviews. We will request brokers, banks, custodians and other fiduciaries to forward proxy soliciting material to the beneficial owners of Class A and Class B shares that they hold of record. We will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of the proxy materials.

Attendance at the Annual Meeting. If you are a registered shareholder and plan to attend the Annual Meeting in person, please check the Annual Meeting box on the proxy card so that we may send you an admission card. If you are a beneficial owner of shares, you must take the following three steps in order to be able to attend and vote at the Annual Meeting: (1) obtain a legal proxy from your broker, bank or other holder of record and present this legal proxy to the inspector of elections along with your ballot, (2) contact our Investor Relations department to obtain an admission card and present the admission card to the inspector of elections and (3) present an acceptable form of photo identification, such as a driver's license or passport to the inspector of elections.

Copies of Annual Report to Shareholders. A copy of our Annual Report on Form 10-K for our most recently completed fiscal year (our 2009 10-K) has been filed with the SEC, will be mailed to shareholders entitled to vote at the Annual Meeting with these proxy materials and is also available without charge to shareholders upon written request to: Fortress Investment Group LLC, 1345 Avenue of the Americas, 46th Floor, New York, New York 10105, Attention: Investor Relations. You can also find an electronic version of our 2009 10-K on the Investor Relations section of the Fortress website (www.fortress.com).

Voting Results. Broadridge Financial Solutions, Inc., our independent tabulating agent, will count the votes and act as the Inspector of Election. We will publish the voting results in a Current Report on Form 8-K, which will be filed with the SEC within four business days of the Annual Meeting.

Confidentiality of Voting. We keep all proxies, ballots and voting tabulations confidential as a matter of practice. We permit only our Inspector of Election, Broadridge Financial Solutions, Inc., to examine these documents.

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PROPOSAL NUMBER ONE

ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

The first proposal is to elect four Class III directors to serve until the 2013 annual meeting of shareholders of Fortress or until their successors are duly elected or appointed and qualified, or until their earlier death, retirement, disqualification, resignation or removal.

Our Board currently consists of 11 directors and is divided into three classes of directors. The current terms of the Class I, Class II and Class III directors will expire in 2011, 2012 and 2010, respectively.

The Board unanimously proposes Peter L. Briger, Jr., Wesley R. Edens, Douglas L. Jacobs and Daniel H. Mudd as nominees for election as Class III directors at the Annual Meeting. If elected at the Annual Meeting, the directors will hold office from election until the 2013 annual meeting of shareholders of Fortress or until their successors are duly elected or appointed and qualified, or until their earlier death, retirement, disqualification, resignation or removal. If any of the nominees becomes unavailable or unwilling to serve, an event that the Board does not presently expect, the persons named as proxies will vote your shares for another person nominated by the Board.

Set forth below is certain biographical information regarding our directors, including the director nominees, as of April 1, 2010. See *Security Ownership of Certain Beneficial Owners and Management* in this Proxy Statement for a description of securities beneficially owned by our directors, including the director nominees, as of April 1, 2010.

Unless otherwise instructed, we will vote all proxies we receive FOR Messrs. Briger, Edens, Jacobs and Mudd.

Nominees

Set forth below is information regarding the nominees for election:

Peter L. Briger, Jr. has been Co-Chairman of the Board of Fortress since August 2009, and he has been a member of the Board of Fortress since November 2006. Mr. Briger has been a member of the Management Committee since joining Fortress in 2002. Mr. Briger is responsible for the credit fund business, which includes running the Drawbridge Special Opportunities Funds. Prior to joining Fortress, Mr. Briger spent 15 years at Goldman, Sachs & Co., or Goldman Sachs, where he became a partner in 1996. Over the course of his career at Goldman Sachs, he held the positions of co-head of the Whole Loan Sales and Trading business, co-head of the Fixed Income Principal Investments Group, co-head of the Asian Distressed Debt business, co-head of the Goldman Sachs Special Opportunities (Asia) Fund LLC and co-head of the Asian Real Estate Private Equity business. In addition, he was a member of the Goldman Sachs Global Control and Compliance Committee, a member of the Goldman Sachs Asian Management Committee and a member of the Goldman Sachs Japan Executive Committee. Mr. Briger received a B.A. from Princeton University and an M.B.A. from the Wharton School of Business at the University of Pennsylvania. Mr. Briger currently serves on the board of directors of the Princeton University Investment Company. As a result of his past experiences, Mr. Briger has extensive credit, private equity finance and management expertise and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Wesley R. Edens has been Co-Chairman of the Board of Fortress since August 2009, and he has been a member of the Board of Fortress since November 2006. Mr. Edens has been a member of the Management Committee of Fortress since co-founding the Company in 1998. Mr. Edens is responsible for the Company's private equity and publicly traded alternative investment businesses. He is Chairman of the board of directors of each of Aircastle Limited, Brookdale Senior Living Inc., Eurocastle Investment Limited, GateHouse Media, Inc., Newcastle Investment Corp. and RailAmerica, Inc. and a director of GAGFAH S.A. and Penn National Gaming Inc. Mr. Edens was Chief Executive Officer of Global Signal Inc. from February 2004 to April 2006 and Chairman of the board of

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directors from October 2002 to January 2007. Mr. Edens serves in various capacities in the following two registered investment companies: Chairman, Chief Executive Officer and Trustee of Fortress Registered Investment Trust and Fortress Investment Trust II. Mr. Edens previously served on the boards of the following publicly traded company and registered investment companies: Crown Castle Investment Corp. (merged with Global Signal Inc.) from January 2007 to July 2007; Fortress Brookdale Investment Fund LLC, from August 13, 2000 (deregistered with the SEC in March 2009); Fortress Pinnacle Investment Fund, from July 24, 2002 (deregistered with the SEC in March 2008); and RIC Coinvestment Fund LP, from May 10, 2006 (deregistered with the SEC in June 2009). Prior to forming Fortress, Mr. Edens was a partner and managing director of BlackRock Financial Management Inc., where he headed BlackRock Asset Investors, a private equity fund. In addition, Mr. Edens was formerly a partner and managing director of Lehman Brothers. Mr. Edens received a B.S. in Finance from Oregon State University. As a result of his past experiences, Mr. Edens has extensive credit, private equity finance and management expertise, extensive experience as an officer and director of public companies and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Douglas L. Jacobs became a member of our Board in February 2007. Mr. Jacobs is a director of Doral Financial Corporation, a financial services company, where he is Chairman of the Risk Policy Committee and member of the Audit and Dividend Committees. From November 2004 to mid-2008, Mr. Jacobs was also a director of ACA Capital Holdings, Inc., a financial guaranty company, where he was Chairman of the Audit Committee and a member of the Compensation Committee and Risk Management Committees. Mr. Jacobs was a director and Chairman of the Audit Committee for Global Signal Inc. from February 2004 until January 2007. Mr. Jacobs has also been a director of Hanover Capital Mortgage Holdings, Inc from 2003 until 2007. From 1988 to 2003, Mr. Jacobs was an Executive Vice President and Treasurer at FleetBoston Financial Group, managing the company's funding, securitization, capital, and asset and liability management activities in addition to its securities, derivatives, and mortgage loan portfolios. Prior to joining FleetBoston, Mr. Jacobs was active in a variety of positions at Citicorp over 17 years, culminating in his role as Division Executive of the Mortgage Finance Group. Mr. Jacobs holds a B.A. from Amherst College and an M.B.A. from the Wharton School of Business at the University of Pennsylvania. As a result of his past experiences, Mr. Jacobs has finance and management expertise, experience serving on public company boards and committees and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Daniel H. Mudd became a member of our Board in February 2007 and was appointed Chief Executive Officer of Fortress Investment Group LLC in August 2009. Previously, Mr. Mudd served as President and Chief Executive Officer of Fannie Mae, the nation's largest financier of home mortgages. Mr. Mudd was also a member of the Fannie Mae Board of Directors. Prior to serving as Chief Executive Officer of Fannie Mae, Mr. Mudd served as the Vice Chairman and Chief Operating Officer of Fannie Mae. As Chief Operating Officer, Mr. Mudd was responsible for originations, marketing, operations, systems, local outreach and administration. Prior to joining Fannie Mae in February 2000, Mr. Mudd served as President and Chief Executive Officer of GE Capital, Japan. During his career at GE Capital, Mr. Mudd served in Business Development, International Financing and European Fleet Services. He served as President of GE Capital Asia-Pacific from 1996 to 1999. Prior to his tenure at GE Capital, Mr. Mudd held positions in management consulting and financial services with Xerox Corporation, Ayers Whitmore and Company, and the World Bank. Mr. Mudd holds a B.A. in American History from the University of Virginia and a Masters in Public Administration from the John F. Kennedy School at Harvard University. Mr. Mudd serves on the board of Hampton University and previously served on the board of Sidwell Friends School and on the Board of Managers of the University of Virginia Alumni Association. As a result of his past experiences, Mr. Mudd has extensive credit and management expertise, extensive experience as an officer and director of public companies and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Name	Age	Position
Peter L. Briger, Jr.	46	Principal and Class III Director
Wesley R. Edens	48	Principal and Class III Director
Douglas L. Jacobs	62	Class III Director
Daniel H. Mudd	51	Chief Executive Officer and Class III Director

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The Board recommends a vote FOR the above-named nominees to serve as our directors until the 2013 annual meeting of Fortress or until their successors are duly elected or appointed and qualified, or until their earlier death, retirement, disqualification, resignation or removal.

Information Concerning Our Directors, Including Our Director Nominees

Each of our directors was selected because of the knowledge, experience, skill, expertise and diversity the director contributes to the board of directors as a whole. Our directors have extensive familiarity with our business and experience from senior positions in large, complex organizations. In these positions, they gained core management skills, such as strategic and financial planning, public company financial reporting, corporate governance, risk management and leadership development. The Nominating, Corporate Governance and Conflicts Committee believes that each of the directors also has key attributes that are important to an effective board of directors: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; diversity of origin, background, experience, and thought; and the commitment to devote significant time and energy to service on the board of directors and its committees.

Continuing Directors

Set forth below is certain biographical information for our continuing directors.

Name	Age	Position
Robert I. Kauffman	46	Principal and Class II Director
Michael E. Novogratz	45	Principal and Class II Director
Richard N. Haass	58	Class I Director
Randal A. Nardone	54	Principal and Class I Director
Howard Rubin	55	Class I Director
Takumi Shibata	57	Class II Director
George W. Wellde, Jr.	57	Class II Director

Robert I. Kauffman has been a member of the Board of Fortress since November 2006 and has been a member of the Management Committee of Fortress since co-founding the Company in 1998. Mr. Kauffman is responsible for the management of Fortress's European private equity investment operations. Mr. Kauffman is the Chairman of the board of directors of Alea Group Holdings (Bermuda) Ltd. and of GAGFAH S.A. Prior to joining Fortress, Mr. Kauffman was a managing director of UBS from May 1997 to May 1998, and prior to that, was a principal of BlackRock Financial Management Inc. Mr. Kauffman was with Lehman Brothers from 1986 to 1994 and served as executive director of Lehman Brothers International in London beginning in 1992. Mr. Kauffman received a B.S. in Business Administration from Northeastern University. As a result of his past experiences, Mr. Kauffman has extensive credit, private equity finance and management expertise, extensive experience as an officer and director of public companies and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Michael E. Novogratz has been a member of the Board of Fortress since November 2006. Mr. Novogratz has been a member of the Management Committee since joining Fortress in 2002. Mr. Novogratz joined Fortress in March 2002 and is responsible for the liquid hedge fund business, which includes running the Drawbridge Global Macro Funds. Prior to joining Fortress, Mr. Novogratz spent 11 years at Goldman Sachs, where he became a partner in 1998. Mr. Novogratz held the positions of president of Goldman Sachs Latin America and the head of Fixed Income, Currencies and Commodities Risk in Asia, where he lived from 1992 to 1999. Mr. Novogratz received a B.A. from Princeton University, and served as a helicopter pilot in the U.S. Army. As a result of his past experiences, Mr. Novogratz has extensive trading, credit and finance expertise and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

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Dr. Richard N. Haass became a member of our Board in February 2007. Dr. Haass is president of the Council on Foreign Relations, a position he has held since July 2003. Prior to his current position, Dr. Haass was director of policy planning for the U.S. Department of State, where he was a principal adviser to Secretary of State Colin Powell on a broad range of foreign policy concerns, and acted as U.S. coordinator for policy toward the future of Afghanistan and the lead U.S. government official in support of the Northern Ireland peace process. From 1989 to 1993, Dr. Haass was special assistant to President George Bush and senior director for Near East and South Asian affairs on the staff of the National Security Council. Previously, he served in various posts in the United States Departments of State and Defense. Dr. Haass has received the State Department's Distinguished Honor Award and the Presidential Citizens Medal. Dr. Haass has been director of foreign policy studies at the Brookings Institution and taught at or been associated in various capacities with Hamilton College, the Carnegie Endowment for International Peace, Harvard University's Kennedy School of Government and the International Institute for Strategic Studies. Dr. Haass holds a bachelor's from Oberlin College and both a Master and Doctor of Philosophy degrees from Oxford University. As a result of his past experiences, Mr. Haass has extensive knowledge of world affairs as well as domestic and foreign policy issues, extensive experience with large organizations, and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Randal A. Nardone has been a member of the Board of Fortress since November 2006 and has been a member of the Management Committee of Fortress since co-founding the Company in 1998. Mr. Nardone is a director of Alea Group Holdings (Bermuda) Ltd., GAGFAH S.A. and Eurocastle Investment Limited. Mr. Nardone was previously a managing director of UBS from May 1997 to May 1998. Prior to joining UBS in 1997, Mr. Nardone was a principal of BlackRock Financial Management, Inc. Prior to joining BlackRock, Mr. Nardone was a partner and a member of the executive committee at the law firm of Thacher Proffitt & Wood. Mr. Nardone received a B.A. in English and Biology from the University of Connecticut and a J.D. from Boston University School of Law. As a result of his past experiences, Mr. Nardone has extensive credit, private equity finance and management expertise, extensive experience as an officer and director of public companies and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Howard Rubin became a member of our Board in February 2007. Mr. Rubin currently serves as a Portfolio Manager at Soros Fund Management, LLC. Mr. Rubin is a director of Deerfield Triarc Capital Corp. (member of Audit Committee). In addition, he previously served as a director of Global Signal, GateHouse Media, Inc. (member of Audit Committee) and Capstead Mortgage Corporation (head of the Audit Committee). He has over twenty years of experience trading mortgage-backed securities. From 1987 until 1999, Mr. Rubin was a Senior Managing Director at Bear Stearns, where he ran the Collateralized Mortgage Obligations desk. Mr. Rubin received a Masters of Business Administration from Harvard Business School and a B.S.E. in Chemical Engineering from Lafayette College. As a result of his past experiences, Mr. Rubin has extensive credit, finance and management expertise, extensive experience as a director of public companies and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Takumi Shibata became a member of our Board in February 2007. Mr. Shibata is Deputy President and Chief Operating Officer of Nomura Holdings, Inc. and sits on Nomura's Executive Board. Prior to his current position, Mr. Shibata headed a variety of businesses at Nomura, including: global asset management, during 2005 and 2009, global support functions, during 2004 and 2005, global wholesale business, during 2003 and 2004, global investment banking operations, during 2002 and 2003, and European business from 1997 through 2002. Mr. Shibata sits on the Japanese Government's Business Accounting Council. Mr. Shibata has been Chairman of the Self Regulation Planning Committee of the Japan Securities Dealers Association, a Board Member of the International Primary Market Association (London), and a Board Member of the Securities Institute (London). Mr. Shibata holds a B.A. in economics from Keio University and an M.B.A. from Harvard Business School. As a result of his past experiences, Mr. Shibata has extensive credit, finance and management experience, a deep understanding of global markets and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

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George W. Wellde, Jr. has been a member of our board of directors since August 2009. Mr. Wellde served as vice chairman of the Securities Division at Goldman, Sachs & Co. from 2005 until his retirement in 2008. Prior to that, Mr. Wellde was head of North America Sales for the Fixed Income, Currency and Commodities division. Mr. Wellde joined Goldman Sachs in 1979, became a partner in 1992 and a managing director in 1996. In addition, he was branch manager of the Goldman Sachs Tokyo office and head of its Fixed Income Division from 1994 to 1999. Prior to joining Goldman Sachs, Mr. Wellde worked for the Federal Reserve Board of Governors in Washington from 1976 to 1979. Mr. Wellde joined the University of Richmond's Board of Trustees in 2000 and has served as its chairman since 2006. Mr. Wellde also serves on the board of advisors of George Washington University in Washington, D.C. and is a senior advisor to its Investment Committee. Additionally, he is a member of the executive committee of the GAVI Alliance and serves as the chairman of the Investment Committee. Mr. Wellde holds a B.S. from the University of Richmond and an M.B.A. from George Washington University. As a result of his past experiences, Mr. Wellde has extensive credit, finance and management expertise and a deep familiarity with our Company, all of which provide him the qualifications and skills to serve as a director.

Legal Proceedings Involving Directors, Officers or Affiliates. There are no legal proceedings ongoing as to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our affiliates.

Director Independence. In April 2010, the Board determined the independence of each member of the Board in accordance with the NYSE corporate governance rules and applicable rules of the United States Securities and Exchange Commission (SEC). Each director affirmatively determined by the Board to have met the standards set forth in Section 303A.02 (b) of the NYSE listing standards is referred to herein as an Independent Director. The Board has determined that the following Board members are Independent Directors because none of them had a material relationship with the Company: Richard N. Haass, Douglas L. Jacobs, Howard Rubin, Takumi Shibata and George W. Wellde, Jr. In making this determination, our Board considered all relevant facts and circumstances, as required by applicable NYSE listing standards, including Mr. Shibata's position with an affiliate of Nomura Investment Managers U.S.A., Inc., which owns 60,487,666 of our Class A shares.

The NYSE rules generally require that the Board consist of a majority of independent directors and that the nominating/corporate governance committee, the compensation committee and the audit committee of the Board consist entirely of independent directors. The Company has elected to become a controlled company under the NYSE rules. As a result, the Company is not required to comply with these requirements (other than the requirement that the audit committee of the Board consist entirely of independent directors). Under NYSE listing standards, whether a director is an independent director is a subjective determination to be made by the Board, and a director of Fortress only qualifies as independent if the Board affirmatively determines that the director has no material relationship with Fortress (either directly or as a partner, shareholder or officer of an organization that has a relationship with Fortress). While the test for independence is a subjective one, the NYSE rules also contain objective criteria that preclude directors from being considered independent in certain situations.

Specifically, persons meeting the following objective criteria are deemed to be not independent:

A director who is an employee, or whose immediate family member is an executive officer, of Fortress (including any consolidated subsidiary) may not be considered independent until three years after the end of such employment relationship;

A director who has received, or whose immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from Fortress

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(including any consolidated subsidiary), other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

A director (i) who is, or whose immediate family is, a current partner of a firm that is the internal or external auditor of Fortress; (ii) who is a current employee of such a firm; (iii) whose immediate family member is a current employee of such firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (iv) who was, or whose immediate family member was, within the last three years (but is no longer) a partner or employee of such a firm and personally worked on Fortress's audit within that time;

A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of Fortress's present executives serve on that Company's compensation committee may not be considered independent until three years after the end of such service or the employment relationship; and

A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company (or a consolidated subsidiary of such company) that makes payments to, or receives payments from, Fortress for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues may not be considered an independent director until three years after falling below such threshold.

Ownership, either directly or indirectly, of a significant amount of Fortress's Class A or Class B shares, by itself, does not constitute a material relationship. In addition, an investment in one or more Fortress Funds, by itself, also does not constitute a material relationship.

The Board has not established additional guidelines to assist it in determining whether a director has a material relationship with Fortress under NYSE rules, but instead evaluates each director or nominee for director under the tests set forth by the NYSE and through a broad consideration and evaluation of all relevant facts and circumstances. The Board, when assessing the materiality of a director's relationship with Fortress, also considers the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

CORPORATE GOVERNANCE

The role of our Board is to ensure that Fortress is managed for the long-term benefit of our shareholders. To fulfill this role, the Board has adopted corporate governance principles designed to assure compliance with all applicable corporate governance standards, including those provided by the SEC and the NYSE. In addition, the Board is informed regarding Fortress's activities and periodically reviews, and advises management with respect to, Fortress's annual operating plans and strategic initiatives.

We review our corporate governance policies and practices on an ongoing basis and compare them to those suggested by various authorities in corporate governance and the practices of other public companies. We have also continued to review the provisions of the Sarbanes-Oxley Act of 2002, the new and proposed rules of the SEC and the new and proposed listing standards of the NYSE.

Corporate Governance Guidelines. Based on this review, the Board adopted Corporate Governance Guidelines. The Corporate Governance Guidelines are posted on our website at <http://www.fortress.com> under "Investor Relations" "Governance Documents" and are available in print to any shareholder of the Company upon request.

Code of Business Conduct and Ethics. The Board also adopted a Code of Business Conduct and Ethics to help ensure that Fortress abides by applicable corporate governance standards. This code applies to all directors, employees, and officers, including our Chief Executive Officer, Chief Financial Officer, Principal Accounting

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Officer and Controller. The code is posted on our website at <http://www.fortress.com> under Investor Relations Governance Documents and is available in print to any shareholder of the Company upon request. The Company intends to post on its website any material amendments to its ethics code and the description of any waiver from a provision of the ethics code granted by the Board to any director or executive officer of the Company.

Communications with the Board of Directors. Shareholders and other interested parties who wish to communicate directly with any of the Company’s directors, including the non-management directors as a group or individually, may do so by writing to the Board of Directors, Fortress Investment Group LLC, 1345 Avenue of the Americas, 46th Floor, New York, NY 10105, Attention: David N. Brooks, General Counsel. All communications will be received, sorted and summarized by the General Counsel, as agent for the non-management directors. Communications relating to the Company’s accounting, internal accounting controls or auditing matters will be referred to the chairman of the Audit Committee. Other communications will be referred to such other directors as may be appropriate. Communications may be submitted anonymously or confidentially.

Meetings of the Board of Directors. During 2009, our Board held thirteen regularly scheduled meetings. Each incumbent director attended 75% or more of the aggregate of all meetings of the Board and committees on which the director served during 2009. In 2009, our Board met in executive session with only non-management directors present.

The Company does not require directors to attend the annual shareholders’ meetings, although they are invited to attend. No directors attended the 2009 Annual Meeting.

Executive sessions of the non-management directors will occur during the course of the year. Non-management directors’ include all directors who are not officers of the Company. The non-management director presiding at those sessions will rotate from meeting to meeting among the chairs of each of the Board’s committees, to the extent the director is present at the executive session.

Committees of the Board of Directors. The Board has standing Audit, Compensation and Nominating, Corporate Governance and Conflicts Committees. The table below indicates the members and chairmen of each of these committees as of April 30, 2010. All members of the Audit Committee and Compensation Committees are Independent Directors.

Name	Audit	Compensation	Nominating, Corporate Governance and Conflicts
Richard N. Haass			X
Douglas L. Jacobs*	Chair	X	
Daniel H. Mudd			Chair
Howard Rubin	X	Chair	
Takumi Shibata		X	
George W. Wellde, Jr.	X		X

* Mr. Jacobs serves as the financial expert on our Audit Committee.

Effective May 1, 2010, the members and chairmanship of the Nominating, Corporate Governance and Conflicts Committee will be: Mr. Wellde (Chair), Mr. Haass and Mr. Rubin. As a result, effective May 1, 2010, all members of the Nominating, Corporate Governance and Conflicts Committee, as well as the Audit Committee and the Compensation Committee will be Independent Directors.

The Audit Committee. The Audit Committee acts under a written charter that has been approved by the Board and complies with the NYSE corporate governance rules and applicable SEC rules and regulations. A current copy of the charter is posted on the Company’s website at <http://www.fortress.com> under Investor Relations Governance Documents and is available in print to any shareholder of the Company upon request.

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All members of the Audit Committee are Independent Directors. The Board has determined that each member of the Audit Committee is financially literate as defined by NYSE rules, and that Mr. Jacobs is qualified to serve as the Audit Committee's financial expert as defined by SEC regulations. A brief description of Mr. Jacobs' work experience is included in Proposal Number One Election of Directors - Continuing Directors. Members of the Audit Committee do not receive any compensation from the Company other than their compensation as a director, committee member or, if applicable, committee chairman, in each case as described under Director Compensation and Non-Employee Director Compensation Table in this Proxy Statement.

Our Audit Committee's functions include:

reviewing the audit plans and findings of our independent registered public accounting firm and our internal audit and risk review staff, as well as the results of regulatory examinations, and tracking management's corrective action plans where necessary;

reviewing our financial statements, including any significant financial items and/or changes in accounting policies, with our senior management and independent registered public accounting firm;

reviewing our financial risk and control procedures, compliance programs and significant tax, legal and regulatory matters; and