

Fortress Investment Group LLC
Form DEF 14A
April 10, 2015
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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:

- 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 Pursuant to Rule 14a-12

FORTRESS INVESTMENT GROUP LLC

(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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

April 10, 2015

Dear Fellow Shareholders:

On behalf of your Board of Directors, I am pleased to invite you to attend the 2015 Annual Meeting of Shareholders of Fortress Investment Group LLC. This meeting will be held on May 21, 2015, at 8:00 AM Eastern Daylight Time, at the Hilton Hotel New York, 1335 Avenue of the Americas, New York, New York.

The Notice of the 2015 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 the 2015 Annual Meeting of Shareholders

To Our Shareholders:

Fortress Investment Group LLC (the Company) will hold its 2015 Annual Meeting of Shareholders (the Annual Meeting) at the Hilton Hotel New York, 1335 Avenue of the Americas, New York, New York, on May 21, 2015 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 the Class II directors, Michael E. Novogratz and George W. Wellde, Jr., to serve until the 2018 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 2015; 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 the accompanying proxy statement.

You may vote at the Annual Meeting if you were a shareholder of record at the close of business on March 26, 2015.

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 10, 2015

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Fortress Investment Group LLC

1345 Avenue of the Americas

New York, NY 10105

April 10, 2015

PROXY STATEMENT

For The 2015 Annual Meeting of Shareholders To Be Held On

May 21, 2015

GENERAL INFORMATION ABOUT THE MEETING

Date, Time and Place of the Annual Meeting. The Board of Directors (the 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 2015 Annual Meeting of Shareholders (the Annual Meeting) to be held at 8:00 AM Eastern Daylight Time, on May 21, 2015, at the Hilton Hotel New York, 1335 Avenue of the Americas, New York, New York, for the purposes set forth in the accompanying Notice of the 2015 Annual Meeting of Shareholders, and at any adjournment or postponement of the Annual Meeting.

The Notice of the 2015 Annual Meeting of Shareholders, Proxy Statement, form of proxy and voting instructions are first being mailed on or about April 10, 2015.

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

1. the election of the Class II directors, Michael E. Novogratz and George W. Wellde, Jr., to serve until the 2018 annual meeting;
2. the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the Company for fiscal year 2015; 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 2015.

Record Date. Our Board has fixed the close of business on March 26, 2015 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.

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 208,554,885 Class A shares and 226,331,513 Class B shares outstanding.

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

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one vote per share. As of the Record Date, the Company's Principals (Peter L. Briger, Jr., Wesley R. Edens, Randal A. Nardone and Michael E. Novogratz) owned (a) 806 Class A shares and (b) 226,024,370 Class B shares, and they 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 Fourth 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 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 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 the 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 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. However, the proposal to ratify the appointment of 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

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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.

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.

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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 May 20, 2015.

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 2015; 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 (1) sending a written notice to the Secretary of the Company at the address below; (2) timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or (3) 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

Attention: David N. Brooks, Secretary

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, telecopy, 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.

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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 2014 10-K) has been filed with the SEC and 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 2014 10-K in the Public Shareholders 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 elections. 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 elections, 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 the Class II directors to serve until the 2018 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.

Nominees. The Board unanimously proposes Michael E. Novogratz and George W. Wellde, Jr. as nominees for election as Class II directors at the Annual Meeting. If elected at the Annual Meeting, the directors will hold office from election until the 2018 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.

The Board recommends a vote FOR the above-named nominees to serve as our directors until the 2018 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.

Unless otherwise instructed, we will vote all proxies we receive FOR Messrs. Novogratz and Wellde.

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Our Board currently consists of the directors listed below and is divided into three classes. The members of each class of directors serve staggered three-year terms.

Our Board of Directors is currently classified as follows:

Class	Term Expiration	Director	Age
Class II	2015	Michael E. Novogratz	50
		George W. Wellde, Jr.	62
Class III	2016	Peter L. Briger, Jr.	51
		Wesley R. Edens	53
		Douglas L. Jacobs	67
Class I	2017	David B. Barry	50
		Randal A. Nardone	59

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, and experience in 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.

Set forth below is certain biographical information regarding our directors, including the director nominees. 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.

David B. Barry

David Barry has been a member of the Board of Directors since January 2011. Mr. Barry is President of Ironstate Development Company, a privately held real estate development and management company based in Hoboken, New Jersey. The company engages in the development of large scale residential and hotel projects in the Northeast United States. The company currently owns and manages over 8,000 residential, commercial and hotel units and currently has approximately \$1 billion in the development pipeline. Mr. Barry's expertise and responsibilities include oversight of all aspects of real estate development for the company, including planning, acquisition, approval, financing, construction, marketing, sales and leasing. Mr. Barry possesses substantial experience with a multitude of development issues, including environmental remediation, public/private partnerships, complex financing structures, redevelopment law and urban development

regulations. Mr. Barry received his B.A. from Columbia University in 1987 and his J.D., magna cum laude, from Georgetown University Law Center in 1990. Mr. Barry was captain of the Columbia wrestling team and received All Ivy honors while there. Mr. Barry is a trustee of Beat the Streets Wrestling, Inc., a board member of the Liberty Science Center, board member of the Lowline, team leader for USA Wrestling for the 2012 Olympics and a member of

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the Board of Governors for the National Wrestling Hall of Fame. Mr. Barry's knowledge, skill, expertise and experience, as described above, as well as his familiarity with our Company led our Board of Directors to conclude that Mr. Barry should be elected to serve as a director.

Peter L. Briger, Jr.

Peter L. Briger, Jr. has been Co-Chairman of the Board of Directors since August 2009, and he has been a member of the Board of Directors 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., 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 Grace Wilsey Foundation, Tipping Point and Caliber Schools. Mr. Briger's extensive credit, private equity finance and management expertise, as described above, as well as his deep familiarity with our Company led our Board of Directors to conclude that Mr. Briger should be elected to serve as a director.

Wesley R. Edens

Wesley R. Edens has been Co-Chairman of the Board of Directors since August 2009, and he has been a member of the Board of Directors 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 New Residential Investment Corp., New Senior Investment Group, Florida East Coast Railway Corp., New Media Investment Group Inc., Mapeley Limited, Nationstar Mortgage Holdings Inc., and Newcastle Investment Corp., and he is a director of Intrawest Resorts Holdings, Inc, Gaming and Leisure Properties Inc., Springleaf Finance Corporation, Springleaf Holdings Inc. and Springleaf Finance Inc. Mr. Edens also previously served on the boards of the following publicly traded companies and registered investment companies: Brookdale Senior Living Inc., from September 2005 to June 2014; GAGFAH S.A., from September 2006 to June 2014; Penn National

Gaming Inc. from October 2008 to November 2013; Gatehouse Media Inc. from June 2005 to November 2013; Aircastle Limited from August 2006 to August 2012; Rail America Inc. from November 2006 to October 2012; Eurocastle Investment Limited, from August 2003 to November 2011; Whistler Blackcomb Holdings Inc.,

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from October 2012 to November 2012; Fortress Investment Trust II, from July 2002 (deregistered with the SEC in January 2011); Fortress Registered Investment Trust, from December 1999 (deregistered with the SEC in September 2011); and FRIT PINN LLC, from November 2001 (deregistered with the SEC in September 2011). 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. Mr. Edens' s extensive credit, private equity finance and management expertise, extensive experience as an officer and director of public companies and his deep familiarity with our Company led our Board of Directors to conclude that Mr. Edens should be elected to serve as a director.

Douglas L. Jacobs

Douglas L. Jacobs has been a member of the Board of Directors since February 2007. Mr. Jacobs is a director of Clear Channel Outdoor Holdings, Inc., an outdoor advertising company where he serves as Chairman of the Audit Committee and a member of the Compensation Committee. Mr. Jacobs is also a director of Springleaf Holdings Inc., a consumer finance company where he is Chairman of the Audit Committee. Mr. Jacobs is also a director of New Residential Investment Corp., a public real estate investment trust where he is Chairman of the Audit Committee. Mr. Jacobs is a director of Doral Financial Corporation, a financial services company. 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 at FleetBoston Financial Group, where he became an Executive Vice President and Treasurer responsible for 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. Mr. Jacobs' s finance and management expertise, experience serving on public company boards and committees and deep familiarity with our Company led our Board of Directors to conclude that Mr. Jacobs should be elected to serve as a director.

Randal A. Nardone

Randal A. Nardone has been a member of the Board of Directors since November 2006 and has been a member of the Management Committee of Fortress since co-founding the Company in 1998. Mr. Nardone has been our Chief Executive Officer since July 2013, after serving as our Interim Chief Executive Officer since December 2011. Mr. Nardone is a director of Eurocastle Investment

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Limited, Springleaf Finance Corporation and Springleaf Finance Inc. Mr. Nardone also previously served on the board of directors of: Alea Group Holdings (Bermuda) Ltd. from July 2007 to September 2014; GAGFAH S.A. from September 2006 to June 2014; and Brookdale Senior Living, Inc. from January 2011 to June 2014. 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. Mr. Nardone's extensive credit, private equity finance and management expertise, extensive experience as an officer and director of public companies and deep familiarity with our Company led our Board of Directors to conclude that Mr. Nardone should be elected to serve as a director.

Michael E. Novogratz

Michael E. Novogratz has been a member of the Board of Directors since November 2006. Mr. Novogratz has been a member of the Management Committee since joining Fortress in 2002. Mr. Novogratz 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 he served as a helicopter pilot in the U.S. Army. Mr. Novogratz's extensive trading, credit and finance expertise and deep familiarity with our Company led our Board of Directors to conclude that Mr. Novogratz should be elected to serve as a director.

George W. Wellde, Jr.

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 at Goldman, Sachs & Co. Mr. Wellde joined Goldman Sachs in 1979 and became a partner in 1992. 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 serves on the Board of Trustees of George Washington University in Washington, D.C. and is a senior member of the Investment Committee. Additionally, he is a member of the Investment Committee of each of the University of Richmond and the GAVI Alliance. He currently serves on

the board of the Partnership for Public Service in Washington, D.C. and is a member of the Council on Foreign Relations. Mr. Welde previously served on the Board of Trustees at the University of Richmond from 2000 to 2010 and as chair of the Board from 2006 to 2010.

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Mr. Wellde holds a B.S. from the University of Richmond and an M.B.A. from George Washington University. Mr. Wellde's extensive credit, finance and management expertise and deep familiarity with our Company led our Board of Directors to conclude that Mr. Wellde should be elected 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 subsidiaries.

Director Independence. On April 8, 2015, 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: David B. Barry, Douglas L. Jacobs and George W. Wellde, Jr. In making its determinations, our Board considered all relevant facts and circumstances, as required by applicable NYSE listing standards, including continuing co-investment in real property among Messrs. Barry, Edens, Nardone and Novogratz and co-investments in hotel, restaurant and entertainment projects between Messrs. Barry and Novogratz.

The NYSE rules generally require that the boards of most listed companies 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, however, has elected to become a controlled company under the NYSE rules, and 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 any of the following objective criteria would be 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 (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);

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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;

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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 (as defined hereafter), 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. Instead, it evaluates each director or nominee for director under the tests set forth by the NYSE and through a broad 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.

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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 ensure 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 continue to review the provisions of the Sarbanes-Oxley Act of 2002, new and proposed rules of the SEC and 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 "Public Shareholders Corporate Governance" 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 Officer and Controller. The code is posted on our website at <http://www.fortress.com> under "Public Shareholders Corporate Governance" and is available in print to any shareholder of the Company upon request. The Board has also adopted a Code of Ethics for Principal Executive and Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer 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 codes of ethics and the description of any waiver from a provision of its codes, 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 2014, our Board held twelve meetings. Each incumbent director attended 75% or more of all meetings of the Board and committees on which the director served during 2014. In 2014, our Board also met in executive sessions with only non-management directors present. The Company does not require directors to attend the annual shareholders' meetings, although they are invited to attend.

Executive sessions of the non-management directors occur during the course of the year, in compliance with NYSE rules. 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.

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

Name	Audit	Compensation	Nominating, Corporate Governance and Conflicts
David B. Barry	X		X
Douglas L. Jacobs*	Chair	X	
George W. Wellde, Jr.	X	Chair	Chair

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

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 Public Shareholders Corporate Governance and is available in print to any shareholder of the Company upon request. 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. The Board has determined that Mr. Jacobs' simultaneous service on the audit committee of three other public companies will not impair his ability to effectively serve on our Audit Committee. A brief description of Mr. Jacobs' work experience is included in Proposal Number One: Election of Directors Information Concerning Our Directors, Including Our Director Nominees. 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 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 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

appointing annually our independent registered public accounting firm, evaluating its independence and performance and setting clear hiring policies for employees or former employees of the independent registered public accounting firm.

During the fiscal year ended December 31, 2014, the Audit Committee held seven meetings. The Audit Committee occasionally met with the Company's independent auditors in executive sessions after meetings. The report of the Audit Committee is included in this Proxy Statement.

The Compensation Committee. The Compensation Committee acts under a written charter that has been approved by the Board and complies with the NYSE corporate governance rules. A current copy of the charter is posted on the Company's website at <http://www.fortress.com> under "Public Shareholders" "Corporate Governance" and is available in print to any shareholder of the Company upon request. All members of the Compensation Committee are Independent Directors.

Our Compensation Committee's functions include:

reviewing and recommending to the Board the salaries, benefits and equity incentive grants for all employees, consultants, officers, directors and other individuals we compensate; and

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overseeing our compensation and employee benefit plans, including the Principal Compensation Plan. The Compensation Committee held four meetings during the fiscal year ended December 31, 2014. The report of the Compensation Committee is included in this Proxy Statement. Additional information on the Compensation Committee's procedures and processes regarding the determination of executive compensation is included below under Executive Compensation Compensation Discussion and Analysis.

The Nominating, Corporate Governance and Conflicts Committee. The Nominating, Corporate Governance and Conflicts Committee acts under a written charter that has been approved by the Board and complies with the NYSE corporate governance rules. A current copy of the charter is posted on the Company's website at <http://www.fortress.com> under Public Shareholders Corporate Governance and is available in print to any shareholder of the Company upon request. The Nominating, Corporate Governance and Conflicts Committee held one meeting during the fiscal year ended December 31, 2014.

Our Nominating, Corporate Governance and Conflicts Committee functions include:

reviewing the performance of our Board and making recommendations to the Board regarding the selection of candidates, qualification and competency requirements for service on the Board and the suitability of proposed nominees as directors;

advising the Board with respect to the corporate governance principles applicable to us;

overseeing the evaluation of the Board and Fortress's management;

reviewing and approving in advance any related party transaction, other than those that are pre-approved pursuant to pre-approval guidelines or rules established by the committee; and

establishing guidelines or rules to cover specific categories of transactions.

The Nominating, Corporate Governance and Conflicts Committee works with the Board to determine the appropriate and necessary characteristics, skills and experience of the Board, both as a whole and with respect to its individual members. The committee evaluates biographical and background information relating to potential candidates and interviews candidates selected by members of the committee and by the Board in making its decisions as to prospective candidates to the Board. While the committee does not specifically set forth any minimum skills that a candidate must have prior to consideration, the committee thoroughly examines a candidate's understanding of the Company's business and other elements relevant to the success of a publicly traded company in today's business environment and educational and professional background. In determining whether to recommend a director for re-election, the Nominating, Corporate Governance and Conflicts Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board. The Nominating, Corporate Governance and Conflicts Committee has the authority to identify potential nominees by asking current directors and executive officers to notify the Nominating, Corporate Governance and Conflicts Committee if they become aware of suitable candidates. As described below, the Nominating, Corporate Governance and Conflicts Committee will also consider candidates recommended by shareholders. We have not paid any third party a fee to assist in the process of identifying or evaluating candidates; however the Nominating, Corporate Governance and

Conflicts Committee may elect in the future to engage firms that specialize in identifying director candidates.

All director candidates, including those recommended by shareholders, are evaluated on the same basis. Candidates for director must possess the level of education, experience, sophistication and expertise required to perform the duties of a member of a board of directors of a public company of the Company's size and scope. At a minimum, the committee will consider: (1) whether the recommended candidate is subject to a disqualifying factor as described in Section 303A.02(b) of the NYSE listing standards; (2) the number of other boards and committees on which the individual serves; (3) the extent of the individual's experience in business, trade, finance or management; (4) the extent of the individual's knowledge of regional, national and international

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business affairs; (5) whether the individual possesses the overall judgment to advise and direct the Company in meeting its responsibilities to shareholders, customers, employees and the public; (6) whether the individual provides the appropriate experience and expertise in light of the prevailing business conditions and the composition of the Board; and (7) any other factors, including those set forth in the Corporate Governance Guidelines, relating to the ability and willingness of the individual to serve. The Company does not have a formal policy with regard to the consideration of diversity in identifying director-nominees, but the Nominating, Corporate Governance and Conflicts Committee strives to nominate individuals with a variety of complementary attributes and skills. Director-nominees are also selected to provide the expertise and skills that may be required by board committees to fulfill their duties. The committee assesses its achievement of diversity through the review of Board composition as part of the Board's annual self-assessment process.

While the Corporate Governance Guidelines provide that the committee may, if it deems appropriate, establish procedures to be followed by shareholders in submitting recommendations for Board candidates, the Nominating, Corporate Governance and Conflicts Committee has not, at this time, put in place a formal policy with regard to such procedures. The Board believes that it is appropriate for Fortress not to have a specific policy because shareholders are always free to submit recommendations for Board candidates, simply by following the procedures set forth in our Operating Agreement. Shareholders wishing to nominate an individual for election at an annual meeting of shareholders must give timely notice to the Company's Secretary and comply with all of the procedures set forth in our Operating Agreement, as described further in Shareholder Proposals and Nominations for Next Year's Annual Meeting.

Policy Regarding Roles of Chief Executive Officer and Chairmen of the Board of Directors. The Company does not have a policy to separate the roles of Chief Executive Officer and Co-Chairman of the Board of Directors, as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. Mr. Edens served as the Company's Chief Executive Officer and Chairman of the Board of Directors until August 2009, when we appointed a new Chief Executive Officer and Mr. Edens and Mr. Briger were appointed Co-Chairmen of the Board. Mr. Nardone is currently serving as Chief Executive Officer of the Company. Mr. Nardone also serves as a director, a structure that permits him to focus on the management of the Company's day-to-day operations while still fostering communication between the Company's management and the Board of Directors. The Company does not have a lead independent director.

Board Role in Risk Oversight

Our Board plays a role in risk management at the enterprise level, but not at the fund level, as discussed in more detail below.

The Company and Its Consolidated Subsidiaries

The Company's risk management is overseen by our Chief Financial Officer, Daniel Bass, who works in conjunction with our Chief Executive Officer, Randal Nardone, and the various business risk managers to monitor and evaluate enterprise level risk. Enterprise risk management is focused on balance sheet and corporate funding risk, as well as identification of systemic risks which could have broad impact across our diversified group of businesses.

The Board regularly reviews information regarding the Company's market, credit, counterparty and operational risks, including its liquidity. In addition to the formal compliance program, the Board encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations.

Fortress Funds

As we have discussed in our prior annual and quarterly reports, the Board is not responsible and does not play a role in overseeing the risk management of any private investment funds, permanent capital vehicles and

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related managed accounts that Fortress manages (Fortress Funds). The Board has no ability to influence any fund s choice of, or the amount of a fund s exposure to, any given counterparty. As a result, our funds may have concentrated exposure to one or more counterparties and thus be exposed to a heightened risk of loss if that counterparty defaults. This may mean that the Company has a significant concentration of risk with one or more particular counterparties at any particular time when aggregate counterparty risk is measured across all of the various Fortress Funds.

Employee Compensation Policies and Risk Management. The Company generally compensates its employees with a combination of cash and Restricted Share Units (RSUs) or other equity or equity-like arrangements designed to align the employees interests with the long-term interest of our shareholders. In general, as employees become more senior and highly-compensated, we increase the portion of their total compensation that is paid with equity or equity-like arrangements.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below is information pertaining to our executive officers who currently hold office:

Name	Age	Position
Peter L. Briger, Jr.	51	Principal and Director
Wesley R. Edens	53	Principal and Director
Randal A. Nardone	59	Principal, Director and Chief Executive Officer
Michael E. Novogratz	50	Principal and Director
Daniel N. Bass	48	Chief Financial Officer
David N. Brooks	44	Vice President, General Counsel and Secretary

Peter L. Briger, Jr. has been one of our Principals since 2002. Additional information regarding Mr. Briger is located in this Proxy Statement under Proposal Number One: Election of Directors Information Concerning Our Directors, Including Our Director Nominees.

Wesley R. Edens has been one of our Principals since 1998. Additional information regarding Mr. Edens is located in this Proxy Statement under Proposal Number One: Election of Directors Information Concerning Our Directors, Including Our Director Nominees.

Randal A. Nardone has been one of our Principals since 1998 and Chief Executive Officer since July 2013. Additional information regarding Mr. Nardone is located in this Proxy Statement under Proposal Number One: Election of Directors Information Concerning Our Directors, Including Our Director Nominees.

Michael E. Novogratz has been one of our Principals since 2002. Additional information regarding Mr. Novogratz is located in this Proxy Statement under Proposal Number One: Election of Directors Information Concerning Our Directors, Including Our Director Nominees.

Daniel N. Bass is the Chief Financial Officer of Fortress and is a member of the Management and Operating Committees. Prior to joining Fortress in November 2003, Mr. Bass spent 11 years at Deutsche Bank. Over the course of his career at Deutsche Bank, he held the positions of managing director of DB Capital Partners and managing director, Global Business Area Controller of Deutsche Bank's Corporate Investments Division. Prior to that, Mr. Bass was a Senior Associate in the International Tax Practice at Coopers & Lybrand. Mr. Bass is also a member of the Board of Trustees of the Florida State University Foundation. Mr. Bass received both a B.S. and a Masters in Accounting from Florida State University.

David N. Brooks is the General Counsel of Fortress. Mr. Brooks is also a member of the Management and Operating Committees. Mr. Brooks joined Fortress in 2004 as the Deputy General Counsel and succeeded to the General Counsel role in February 2007. Prior to joining Fortress, Mr. Brooks was associated with Cravath, Swaine & Moore LLP, where he specialized in mergers and acquisitions, capital markets transactions, including initial public offerings and high-yield debt issuances, and providing corporate governance advice to large public companies. Mr. Brooks received a B.S. in Economics from Texas A&M University and a J.D. from the University of Texas School of Law.

Table of Contents**OWNERSHIP OF THE COMPANY S SHARES**

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company's directors, executive officers and persons who own more than ten percent of a registered class of our equity securities to file with the SEC reports of ownership on Form 3 and changes in ownership on Forms 4 and 5. Such officers, directors and greater-than-ten percent shareholders are also required by the SEC to furnish the Company with copies of all forms they file under this regulation. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company, all Section 16(a) filing requirements applicable to all of its reporting persons were complied with during the fiscal year ended December 31, 2014.

Security Ownership of Certain Beneficial Owners and Management. The following table sets forth, as of April 8, 2015, the beneficial ownership of our Class A and Class B shares by (1) each person known to us to beneficially own more than 5% of any class of the outstanding shares of the Company, (2) each of our directors, (3) each of our named executive officers and (4) all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. To our knowledge, each person named in the table below has sole voting and investment power with respect to all of the Class A and Class B shares shown as beneficially owned by such person, except as otherwise set forth in the notes to the table and pursuant to applicable community property laws. Unless otherwise indicated, the address of each person named in the table is c/o Fortress Investment Group LLC, 1345 Avenue of the Americas, 46th Floor, New York, New York 10105.

Name of Beneficial Owner	Class A Shares		Class B Shares		Total Percentage of Voting Power ⁽⁴⁾
	Number of Shares ⁽¹⁾	Percent of Class ⁽²⁾	Number of Shares	Percent of Class ⁽³⁾	
Peter L. Briger, Jr. ⁽⁵⁾	61,563,352	22.8%	60,151,418	26.6%	14.1%
Wesley R. Edens ⁽⁶⁾	63,094,197	23.2%	63,093,397	27.9%	14.5%
Randal A. Nardone ⁽⁷⁾	45,962,521	18.1%	45,962,520	20.3%	10.6%
Michael E. Novogratz ⁽⁸⁾	57,435,215	21.6%	56,817,035	25.1%	13.2%
Daniel N. Bass ⁽⁹⁾	432,874	*			*
David N. Brooks ⁽⁹⁾	241,125	*			*
David B. Barry	777,577	*			*
Douglas L. Jacobs	174,706	*			*
George W. Wellde Jr.	339,174	*			*
All directors and executive officers as a group (9 persons) ⁽⁹⁾⁽¹⁰⁾	3,996,371	1.9%	226,024,370	99.9%	52.6%
5% Shareholders:					
Adam Levinson ⁽¹¹⁾	18,558,313	8.9%	307,143	0.1%	4.3%
Morgan Stanley ⁽¹²⁾	15,413,126	7.4%			3.5%
ING Capital Markets LLC ⁽¹³⁾	10,519,653	5.0%			2.4%

* Less than 1%

- (1) In the case of the Principals, the number presented represents both Class A shares and Fortress Operating Group (as defined hereafter) units (FOG units), each of which is (together with a corresponding Class B share) exchangeable into a Class A share from time to time in accordance with the Exchange Agreement (as defined hereafter). For more information about the Exchange Agreement, see below Certain Relationships and Related Party Transactions Related Party Transactions Exchange Agreement. In the case of Messrs. Briger, Novogratz, Bass and Brooks, the number also includes vested but undelivered RSUs.
- (2) The percentage of beneficial ownership of Class A shares is based on 208,554,885 Class A shares outstanding as of April 8, 2015. In the case of each of our Principals (Messrs. Briger, Edens, Nardone and Novogratz), the percentage is based on the number of Class A shares deemed to be beneficially owned by such Principal (as detailed in footnote 1 above) divided by the sum of (i) 208,554,885 Class A shares

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- outstanding, plus (ii) the number of FOG units owned by such Principal, plus (iii) for each of Messrs. Briger and Novogratz, the number of vested but undelivered RSUs owned by such Principal, each as of April 8, 2015. In the case of Messrs. Bass and Brooks, the percentage is based on the number of Class A shares deemed to be beneficially owned by such individual (as detailed in footnote 1 above) divided by the sum of (i) 208,554,885 Class A shares outstanding, plus (ii) the number of vested but undelivered RSUs owned by such individual, each as of April 8, 2015. The percentage of beneficial ownership excludes 30,006,736 outstanding unvested RSUs as of April 8, 2015.
- (3) The percentage of beneficial ownership of Class B shares is based on 226,331,513 Class B shares outstanding as of April 8, 2015.
 - (4) The total percentage of voting power is based on 208,554,885 Class A shares and 226,331,513 Class B shares outstanding as of April 8, 2015. In the case of Messrs. Briger, Novogratz, Bass and Brooks, the number also includes vested but undelivered RSUs. The total percentage of voting power excludes 30,006,736 outstanding unvested RSUs.
 - (5) Of the number of Class A shares reported to be beneficially owned by Mr. Briger, five are Class A shares held as custodian for Mr. Briger's son, 1,411,929 are vested but undelivered RSUs and the remainder are FOG units, which are exchangeable into Class A shares as described in footnote 1 above.
 - (6) Of the number of Class A shares reported to be beneficially owned by Mr. Edens, 800 are Class A shares owned by Mr. Edens's spouse and the remainder are FOG units, which are exchangeable into Class A shares as described in footnote 1 above.
 - (7) Of the number of Class A shares reported to be beneficially owned by Mr. Nardone, one is a Class A share and the remainder are FOG units, which are exchangeable into Class A shares as described in footnote 1 above. Does not include 209,644 Class A shares held by The Flying O Foundation, which Mr. Nardone may be deemed to beneficially own in his capacity as trustee.
 - (8) Of the number of Class A shares reported to be beneficially owned by Mr. Novogratz, 618,180 are vested but undelivered RSUs and the remainder are FOG units, which are exchangeable into Class A shares as described in footnote 1 above. Does not include 390,000 Class A shares held by The Three Dogs Foundation, which Mr. Novogratz may be deemed to beneficially own in his capacity as trustee.
 - (9) The number of Class A shares reported to be beneficially owned by Messrs. Bass and Brooks includes 74,555 and 62,541 vested but undelivered RSUs, respectively.
 - (10) The number and percentage of Class A shares includes vested but undelivered RSUs for Messrs. Briger and Novogratz, and excludes the Class A shares that are deemed to be beneficially owned by the Principals pursuant to their exchange rights as described in footnote 1 above.
 - (11) Mr. Levinson was a senior employee of the Company and is currently Chief Investment Officer of the Graticule Asia Macro Funds on our affiliated manager platform. In January 2013, 10,333,334 of Mr. Levinson's Restricted Partnership Units (RPU's) vested into FOG units. In March 2013, Mr. Levinson exchanged all of these FOG units (together with the corresponding B shares) for Class A shares. The acquisition of Class A shares in connection with this exchange and a similar exchange in 2012 has resulted in Mr. Levinson's ownership of Class A shares exceeding 5%.
 - (12) This information is based on a Schedule 13G/A filed with the SEC on February 5, 2015, by Morgan Stanley and Morgan Stanley Strategic Investments, Inc., 1585 Broadway, New York, NY 10036.
 - (13) This information is based on a Schedule 13G filed with the SEC on February 17, 2015, by ING Capital Markets LLC, 1013 Centre Road, Wilmington, DE 19805, and its indirect parent, ING Groep N.V., Bijlmerplein 888, 1102 MG, Amsterdam-Zuidoost, Postbus 1800, 1000 BV Amsterdam, The Netherlands.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

We believe that it is important for our shareholders to understand how we compensate our top executives and the rationale for our compensation decisions. Set forth below is a detailed discussion regarding the compensation of our named executive officers during the last completed fiscal year, which include our Chief Executive Officer, our Chief Financial Officer, our General Counsel and the individuals who served as our Principals in the last completed fiscal year: Peter L. Briger, Jr., Wesley R. Edens, Randal A. Nardone and Michael E. Novogratz.

Our Compensation Goals and Philosophy Principals

The primary goals of our compensation arrangements with our Principals are to: align their interests with the interests of our shareholders; ensure the ongoing, uninterrupted management of each of our businesses by the Principals who sponsor them and, in many cases, act as their chief investment officers; and further incentivize the Principals to raise new capital for our funds.

To achieve these goals, in August 2011 we entered into new, five-year employment agreements with our Principals effective January 1, 2012, on terms and conditions substantially similar to those of their previous agreements. In connection with the new employment agreements, we adopted a Principal Compensation Plan under which the Principals will receive annual payments based on the performance of the existing assets under management (AUM) of Fortress's flagship hedge funds during a given year and on their success in raising and investing new funds across our businesses and the performance of those new funds during a given fiscal year (Principal Performance Payments).

Under the Principal Compensation Plan, Principal Performance Payments are comprised of a mix of cash and equity-based compensation, with the equity component becoming larger as performance, and the size of the payments, increases. Specifically, the Principal Compensation Plan calls for payments of: (1) 20% of the incentive income earned from existing flagship hedge fund AUM and 20% of the fund management distributable earnings above a threshold for permanent capital vehicles existing at January 1, 2012, as well as (2) either 10% or 20% (based on the level of involvement of the Principal) of the fund management distributable earnings of new AUM in new businesses and 20% of fund management distributable earnings for new flagship hedge fund AUM. Payments of up to 10% of fund management distributable earnings before Principal Performance Payments, in each of the Principals' respective businesses, are made in cash, and payments in excess of this threshold are made in RSUs that will vest in equal increments over three years.

Pursuant to the new employment agreements, each Principal receives annual compensation of \$200,000. The Principals' employment agreements contain customary post-employment non-competition and non-solicitation covenants. In order to ensure the Principals' compliance with such covenants, an amount equal to 50% of the after-tax cash portion of any Principal Performance Payments are subject to mandatory investment in Fortress Funds, and such invested amounts will serve as collateral against any breach of those covenants. The Principals' employment agreements are described in more detail below under the section Employment Agreements with Our Named Executive Officers.

Prior to the adoption of the Principal Compensation Plan, the only element of the Principals' compensation (since our initial public offering in February 2007) was an annual salary of \$200,000 pursuant to employment agreements that were set to expire in February 2012. The Principals did not receive any bonus payments directly from us, although they did (and continue to) receive distributions with respect to their ownership of FOG units, in the same amount per unit and generally at the same time as distributions are made to us in respect of the FOG units we hold.

Our Compensation Goals and Philosophy Named Executive Officers (other than Principals)

As with our Principals, we seek to compensate our Chief Financial Officer and General Counsel (sometimes referred to below, along with our Principals, as our named executive officers or officers) in a manner that

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aligns their compensation with the creation of long-term value for our shareholders. To achieve this goal, we have designed compensation packages for these named executive officers that aim to reward sustained financial and operational performance for all of our businesses and to motivate these executives to remain with the Company for long and productive careers. Our Chief Financial Officer and General Counsel do not have any role in determining any aspect of their compensation.

Mr. Nardone, our Chief Executive Officer, is also a Principal and is therefore compensated by us under the Principal Compensation Plan.

Compensation Elements We Use To Achieve Our Compensation Goals

We use the following compensation elements as tools to reward and retain our Chief Financial Officer and General Counsel:

Base Salary We provide a base salary of \$200,000 to assist each officer with paying basic living expenses during the calendar year;

Bonus We generally pay discretionary cash bonuses at the beginning of the year for the prior year's performance based upon an evaluation as to how well the officer performed during the year in helping the Company achieve its goals; for 2014, the bonuses for our Chief Financial Officer and General Counsel were paid based on the achievements and factors described below in [Determining Compensation for Our Chief Financial Officer in 2014](#) and [Determining Compensation for Our General Counsel in 2014](#) ;

Restricted Share Units We use RSUs, which are typically subject to service-based vesting conditions, as a component of each officer's compensation because we believe that this form of equity-based compensation in the Company incentivizes the officer to (1) remain with the Company and (2) build the Company in ways that create long-term value for our shareholders and do not promote making business decisions that involve the Company undertaking excessive levels of risk;

Profit Sharing Interests in Fortress Funds Performance We grant our Chief Financial Officer and General Counsel interests in a portion of the profits (which interests may be calculated and awarded either in the form of partnership interests or paid out in cash on an annual basis) earned by us through our management of various Fortress Funds to incentivize each officer to devote focus to building our various businesses; and

Other Compensation We also provide our named executive officers with other compensation and benefits, which are reflected in the [All Other Compensation](#) column of the Summary Compensation Table set forth below, that we believe are reasonable, competitive and consistent with the Company's overall executive compensation goals and philosophy.

Determining Compensation for Our Chief Financial Officer in 2014

Daniel Bass has served as our Chief Financial Officer since 2003. As the leader of the Company's finance and accounting, Mr. Bass is responsible for overseeing the financial operations of the Company. Mr. Bass also oversees

our IT and Facilities departments and, together with Mr. Brooks, our Human Resources department. His strategic and operational responsibilities include, among other things, ensuring that the Company is efficiently financed and maintains sufficient liquidity. In addition, Mr. Bass is responsible for overseeing the Company's financial statements and continuing to build relationships with our investors and financial counterparties.

Mr. Bass played a critical role in helping the Company maintain a strong balance sheet and improving our liquidity during 2014. As part of this effort, Mr. Bass played a crucial role in ensuring compliance with our credit agreement. In addition, Mr. Bass oversees the accounting and financial planning and analysis groups which timely consolidated two permanent capital vehicles into the Company's financial statements. In addition, Mr. Bass oversees our risk management. Mr. Bass also led our efforts to enhance our Human Resources, IT and

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Facilities departments to serve our employees, including spending significant time on the advancement of our technology developments for the front and back office operations. Mr. Bass was also heavily involved in investor relations, meeting with existing and prospective investors to discuss the strategic and financial activities of the Company. In light of these achievements, Mr. Bass received a discretionary bonus of \$2,800,000 and the other compensation set forth in the Summary Compensation Table below.

Determining Compensation for Our General Counsel in 2014

As the leader of the Company's legal and compliance department since our initial public offering, Mr. Brooks has overall responsibility for all legal and compliance matters. These matters span a broad array of complex laws and regulations around the globe, with the scope and complexity of such laws and regulations increasing substantially in this heightened regulatory environment. Mr. Brooks also serves as Secretary of the Company.

During 2014, Mr. Brooks enhanced the Company's legal and compliance departments and, together with Mr. Bass, oversees the Human Resources department. Mr. Brooks supervised the Company's efforts to comply with the emerging legal requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as the legal requirements of the Sarbanes-Oxley Act of 2002 and the NYSE. As Secretary of FIG LLC, Mr. Brooks also supervised the relationship between FIG LLC, an affiliate of the Company that is a registered investment adviser under the Investment Advisers Act of 1940 and serves as the registered investment adviser for various Fortress Funds, and the SEC. Mr. Brooks also coordinated the structuring of new business initiatives at the Company and the activities of the New Products Committee. Mr. Brooks also provided valuable advice to each of our businesses to assist them in both building and managing their businesses effectively. In light of these achievements, Mr. Brooks received a discretionary bonus of \$2,800,000 as well as the compensation set forth in the Summary Compensation Table below.

Grants with respect to 2014 to our Chief Financial Officer and General Counsel

With respect to 2014, Messrs. Bass and Brooks were granted 65,020 and 52,016 RSUs, respectively, in the beginning of 2015. RSUs granted to Messrs. Bass and Brooks on January 30, 2015 will vest in one-half increments on January 2, 2017 and January 2, 2018.

Use of Compensation Consultant

During 2014, senior management engaged McLagan to assist us in comparing the compensation packages we offer to our Chief Financial Officer and General Counsel to the compensation packages our peer companies pay to the officers serving comparable roles for their companies. McLagan is a compensation consulting firm that specializes in conducting proprietary compensation surveys and interpreting pay trends in the financial services industry. The companies that participate in McLagan's surveys generally represent peer companies, including some organizations that do not publicly disclose compensation data for executive roles.

Management presented the results of McLagan's analysis to the Compensation Committee as part of its review of executive compensation, and the Compensation Committee actively considered this information in setting the 2014 compensation for the Chief Financial Officer and the General Counsel. In addition, management retained SemlerBrossy in connection with the adoption and design of the Principal Compensation Plan, as described above in Our Compensation Goals and Philosophy - Principals. The Compensation Committee did not engage any compensation consultant to review either executive or director compensation.

Also, McLagan provided management with surveys regarding certain non-executive officer employees to help us understand how the compensation we offer to certain employees compares to the compensation our peers offer to their

employees.

Table of Contents**Additional Details on Executive Compensation****Summary Compensation Table**

The following table provides additional information regarding the compensation earned by our named executive officers in each of the last three completed fiscal years.

Name and Principal Position	Year	Salary (\$)	Bonus⁽¹⁾ (\$)	Stock Awards⁽¹⁾ (\$)	All Other Compensation⁽²⁾ (\$)	Total (\$)
Wesley R. Edens Principal	2014	200,000	3,352,502		470,186 ⁽³⁾	4,022,688
	2013	200,000	2,076,258		181,608	2,457,866
	2012	200,000			118,105	318,105
Peter L. Briger, Jr. Principal	2014	200,000	21,778,651	3,985,137 ⁽⁴⁾	441,322 ⁽³⁾	26,405,110
	2013	200,000	19,663,850	17,636,519	579,830	38,080,199
	2012	200,000	14,059,860	11,765,080	255,566	26,280,506
Randal A. Nardone Principal and Chief Executive Officer	2014	200,000	2,235,002		101,081 ⁽³⁾	2,536,083
	2013	200,000	1,384,172		117,252	1,701,424
	2012	200,000			87,315	287,315
Michael E. Novogratz Principal	2014	200,000	1,573,708		161,410 ⁽³⁾	1,935,118
	2013	200,000	12,548,165	8,200,481	207,666	21,156,312
	2012	200,000	5,031,595	4,803,525	165,648	10,200,768
Daniel N. Bass Chief Financial Officer	2014	200,000	2,800,000	551,088 ⁽⁵⁾	33,818	3,584,906
	2013	200,000	1,900,000	274,186 ⁽⁵⁾	877,118	3,251,304
	2012	200,000	2,100,000	250,001 ⁽⁵⁾	517,655	3,067,656
David N. Brooks Vice President, General Counsel and Secretary	2014	200,000	2,800,000	413,316 ⁽⁶⁾	29,543	3,442,859
	2013	200,000	1,700,000	232,004 ⁽⁶⁾	1,279,269	3,411,273
	2012	200,000	2,000,000	208,332 ⁽⁶⁾	758,802	3,167,134

(1) Bonus and stock awards reported for the Principals represent Principal Performance Payments.

(2) See the All Other Compensation tables below for additional information.

(3) The amounts reported in All Other Compensation include expense that the Company incurred in connection with family office employees as follows: \$94,826 for Mr. Briger, \$124,022 for Mr. Edens, \$72,317 for Mr. Nardone and \$101,846 for Mr. Novogratz. There is no incremental expense incurred by the Company in connection with the expense that is allocated to the family office employees. Mr. Briger, Mr. Edens, Mr. Nardone and Mr. Novogratz reimburse the Company for 100% of compensation, benefits and incremental expense related to family office employees. The amounts reported in All Other Compensation also include \$281,398 and \$317,400 that the Company paid on behalf of Mr. Briger and Mr. Edens, respectively, for internet security services, and \$36,400 and \$30,800 that the Company paid in connection with maintaining the IT infrastructure in Mr. Briger's and Mr. Novogratz's home offices, respectively, in order to facilitate their trading activities on behalf of certain Fortress Funds.

(4) With respect to 2014, Mr. Briger was awarded 525,051 dividend paying RSUs in 2015 pursuant to the Principal

Compensation Plan. The amount in this column reflects the aggregate grant date value computed in accordance with FASB ASC Topic 718. For a summary of the assumptions made in the valuation of these awards, please see Note 8 of our audited consolidated financial statements in the 2014 10-K. RSUs granted to Mr. Briger on February 9, 2015 will vest in one-third increments on January 1 of each year beginning on January 1, 2016.

- (5) In 2014, 2013, and 2012, Mr. Bass was awarded 91,848, 64,363 and 84,746 RSUs, respectively. The amount in this column reflects the aggregate grant date value computed in accordance with FASB ASC Topic 718. For a summary of the assumptions made in the valuation of these awards, please see Note 8 of our audited consolidated financial statements in the 2014 10-K. Does not include RSUs with respect to 2014 but awarded in 2015. See Grants with Respect to 2014 to our Chief Financial Officer and General Counsel.

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- (6) In 2014, 2013 and 2012, Mr. Brooks was awarded 68,886, 54,461 and 70,621 RSUs, respectively. The amount in this column reflects the aggregate grant date value computed in accordance with FASB ASC Topic 718. For a summary of the assumptions made in the valuation of these awards, please see Note 8 of our audited consolidated financial statements in the 2014 10-K. Does not include RSUs with respect to 2014 but awarded in 2015. See Grants with Respect to 2014 to our Chief Financial Officer and General Counsel.

All Other Compensation Table 2014

The following table provides additional information regarding each component of the All Other Compensation column in the Summary Compensation Table above with respect to 2014:

Name	401K Matching Contribution (\$)	Value of Life Insurance and Other Insurance Premiums Paid (\$)	Payments in Respect of Profit Sharing Interests in Funds⁽¹⁾ (\$)	Total (\$)
Peter L. Briger, Jr.	7,800	20,898		441,322 ⁽²⁾
Wesley R. Edens	7,800	20,964		470,186 ⁽²⁾
Randal A. Nardone	7,800	20,964		101,081 ⁽²⁾
Michael E. Novogratz	7,800	20,964		161,410 ⁽²⁾
Daniel N. Bass	7,800	21,743	4,275	33,818
David N. Brooks	7,800	21,743		29,543

- (1) Amounts shown in this column reflect income earned by Mr. Bass in respect of the profit sharing interest (that is, the rights to a portion of the profit earned by us) in a Fortress Fund.
- (2) The total amounts include expense that the Company incurred in connection with family office employees as follows: \$94,826 for Mr. Briger, \$124,022 for Mr. Edens, \$72,317 for Mr. Nardone and \$101,846 for Mr. Novogratz. There is no incremental expense incurred by the Company in connection with the expense that is allocated to the family office employees. Mr. Briger, Mr. Edens, Mr. Nardone and Mr. Novogratz reimburse the Company for 100% of compensation, benefits and incremental expense related to family office employees. The total amounts also include \$281,398 and \$317,400 that the Company paid on behalf of Mr. Briger and Mr. Edens, respectively, for internet security services, and \$36,400 and \$30,800 that the Company paid in connection with maintaining the IT infrastructure in Mr. Briger's and Mr. Novogratz's home offices, respectively, in order to facilitate their trading activities on behalf of certain Fortress Funds.

Table of Contents**All Other Compensation Table 2013**

The following table provides additional information regarding each component of the All Other Compensation column in the Summary Compensation Table above with respect to 2013:

Name	401K Matching Contribution (\$)	Value of Life Insurance and Other Insurance Premiums Paid (\$)	Payments in Respect of Profit Sharing Interests in Funds⁽¹⁾ (\$)	Total (\$)
Peter L. Briger, Jr.	7,650	20,889		579,830 ⁽²⁾
Wesley R. Edens	7,650	20,889		181,608 ⁽³⁾
Randal A. Nardone	7,650	20,889		117,252 ⁽⁴⁾
Michael Novogratz	7,650	20,889		207,666 ⁽⁵⁾
Daniel N. Bass	7,650	21,519	847,949	877,118
David N. Brooks	7,650	21,519	1,250,100	1,279,269

- (1) Amounts shown in this column reflect income earned by Messrs. Bass and Brooks in respect of the profit sharing interest (that is, the rights to a portion of the profits earned by us) held by each of them in a variety of Fortress Funds.
- (2) This total includes \$164,492 of expense that the Company incurred in connection with family office employees, \$274,800 that the Company paid on behalf of Mr. Briger to an internet security firm, \$36,400 that the Company paid in connection with maintaining the IT infrastructure in Mr. Briger's home office in order to facilitate his trading activities on behalf of certain Fortress Funds, and \$75,600 that the Company paid in connection with providing personal security at Mr. Briger's residence for a period during 2013.
- (3) This total includes \$133,069 of expense that the Company incurred in connection with family office employees and \$20,000 that the Company paid on behalf of Mr. Edens to an internet security firm.
- (4) This total includes \$88,713 of expense that the Company incurred in connection with family office employees.
- (5) This total includes \$148,327 of expense that the Company incurred in connection with family office employees, and \$30,800 that the Company paid in connection with maintaining the IT infrastructure in Mr. Novogratz's home office in order to facilitate his trading activities on behalf of certain Fortress Funds.

All Other Compensation Table 2012

The following table provides additional information regarding each component of the All Other Compensation column in the Summary Compensation Table above with respect to 2012:

Name	401K Matching Contribution (\$)	Value of Life Insurance and Other Insurance Premiums Paid (\$)	Payments in Respect of Profit Sharing Interests in Funds⁽¹⁾ (\$)	Total (\$)
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Peter L. Briger, Jr.	6,006	19,691		255,566 ⁽²⁾
Wesley R. Edens	6,006	19,730		118,105 ⁽³⁾
Randal A. Nardone	6,006	19,730		87,315 ⁽⁴⁾
Michael E. Novogratz	6,006	19,730		165,648 ⁽⁵⁾
Daniel N. Bass	7,500	20,240	489,915	517,655
David N. Brooks	7,500	20,240	731,062	758,802

- (1) Amounts shown in this column reflect income earned by Messrs. Bass and Brooks in respect of the profit sharing interest (that is, t