

Fortress Investment Group LLC
Form 424B5
May 14, 2009
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration File No. 333-153689

SUBJECT TO COMPLETION, DATED MAY 13, 2009

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated October 3, 2008)

\$125,000,000 of Class A Shares

Representing Class A Limited Liability Company Interests

Fortress Investment Group LLC

\$ per share

We are selling up to \$125,000,000 of Class A shares representing Class A limited liability company interests. We are selling all of the Class A shares offered in this offering. None of our five principals or our other significant investors will be selling any shares in this offering. We anticipate that our five principals will purchase 10% of the Class A shares sold in this offering (up to an aggregate amount of \$25.0 million). We also anticipate that an affiliate of Nomura Holdings, Inc. will purchase approximately 13.5% of the Class A shares sold in this offering (up to an aggregate amount of \$40.0 million).

We have granted the underwriters a 30-day option to purchase up to \$18,750,000 of additional Class A shares at the public offering price less underwriting discounts for the purpose of covering over-allotments, if any.

Our Class A shares are listed on the New York Stock Exchange under the trading symbol FIG. The last reported sale price of our Class A shares on May 13, 2009 was \$5.38 per share.

Investing in our Class A shares involves a high degree of risk. See Risk Factors on page S-12 of this prospectus supplement and in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and the

documents incorporated by reference into this prospectus supplement and the accompanying prospectus carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts	\$	\$
Proceeds to us (before expenses)	\$	\$

The underwriters expect to deliver the Class A shares against payment on May , 2009 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Citi J.P.Morgan Merrill Lynch & Co. Nomura Securities International, Inc.

May , 2009

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates. Our business, financial condition, results of operations, cash flow and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first part is this prospectus supplement, which describes the terms of the offering of the Class A shares and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about the securities we may offer from time to time, including the Class A shares. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated herein and therein by reference, on the other hand, you should rely on the information in this prospectus supplement.

As used in this prospectus supplement, unless the context otherwise requires:

Management Fee Paying Assets Under Management, or AUM, refers to the management fee paying assets we manage, including, as applicable, capital we have the right to call from our investors pursuant to their capital commitments to various funds. Our AUM equals the sum of:

- (i) the capital commitments or invested capital (or NAV, if lower) of our private equity funds and hybrid PE funds, depending on which measure management fees are being calculated upon at a given point in time, which in connection with funds raised after March 2006 includes the mark-to-market value of public securities held within the funds,
- (ii) the contributed capital of our publicly traded alternative investment vehicles, which we refer to as our Castles,
- (iii) the net asset value, or NAV, of our hedge funds; and
- (iv) the NAV of our managed accounts, to the extent management fees are charged.

For each of the above, the amounts exclude assets under management for which we charge either no or nominal fees, generally related to our principal investments in funds as well as investments in funds by our principals, directors and employees.

Our calculation of AUM may differ from the calculations of other asset managers and, as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of AUM is not based on any definition of assets under management contained in our operating agreement or in any of our Fortress Fund management agreements.

Fortress, we, us, our, and the company refer, collectively, to Fortress Investment Group LLC and its subsidiaries, including the Fortress Operating Group and all of its subsidiaries.

Fortress Funds and our funds refers to the private investment funds and alternative asset companies that are managed by the Fortress Operating Group.

Fortress Operating Group refers to the combined entities, which were wholly-owned by the principals prior to January 2007, and in each of which Fortress Investment Group LLC acquired an indirect controlling interest in January 2007.

principals or Principals refers to Peter Briger, Wesley Edens, Robert Kauffman, Randal Nardone and Michael Novogratz, collectively, who prior to the completion of our initial public offering and related transactions directly owned 100% of the Fortress Operating Group units and following completion of our initial public offering and related transactions own a majority of the Fortress Operating Group units and all of the Class B shares, representing a majority of the total combined voting power of all of our outstanding Class A and Class B shares. The principals ownership percentage is subject to change based on, among other things, equity offerings, including this offering, and grants by Fortress and dispositions by the principals.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to, among other things, the operating performance of our funds' investments, our distributable earnings, our ability and intention to pay dividends to our Class A shareholders and our financing needs. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, anticipate, approximate, estimate, overestimate, believe, could, project, predict, continue, plan, outlook or other similar words or expressions. Forward-looking statements are based on assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. Factors that could affect our operations and future prospects include, but are not limited to:

the loss of services of any of the principals or our investment professionals;

adverse performance of our funds;

adverse changes in the global investment markets;

the termination or liquidation of, or our being removed as the manager of, any of our funds;

litigation against us or our funds;

legislative and regulatory changes, particularly related to taxation;

our ability to deal appropriately with conflicts of interest;

our ability to comply with the laws and regulations;

adverse changes in the financing markets we access affecting our ability to finance investments;

our ability to raise, and the cost of, capital for future investments and other uses;

the amount and timing of redemption requests;

our ability to comply with the terms of our credit agreement;

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completion of pending investments;

our ability to monetize our investments on attractive terms;

our ability to raise funds;

counterparty defaults;

trading or risk management errors, employee misconduct and other operational risks;

competition within the alternative asset management industry; and

other risks detailed in this prospectus supplement or the accompanying prospectus, and from time to time in our SEC reports, particularly under the heading "Risk Factors" in such documents.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and the risk factors that are included under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2008, as amended by our Current Report on Form 8-K filed with the SEC

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on May 13, 2009, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, all of which are incorporated by reference in this prospectus supplement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance or achievements. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management's views only as of the date of this prospectus supplement. We are under no duty to update any of the forward-looking statements after the date of this prospectus supplement to conform these statements to actual results.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. This summary sets forth the material terms of this offering, but does not contain all of the information you should consider before investing in our Class A shares. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, before making an investment decision to purchase our Class A shares, especially the risks of investing in our Class A shares discussed under Risk Factors contained herein and in the documents incorporated by reference and the consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

Unless otherwise indicated, the information contained in this prospectus supplement assumes that the underwriters' over-allotment option is not exercised.

Fortress Investment Group LLC

Fortress Investment Group LLC is a leading global alternative asset manager with approximately \$26.5 billion in AUM as of March 31, 2009.

Fortress was founded in 1998 as an asset-based investment management firm with a fundamental philosophy premised on alignment of interests with the investors in our funds. Our managed funds primarily employ absolute return strategies; we strive to have positive returns regardless of the performance of the markets. Investment performance is our cornerstone as an investment manager, we earn more if our investors earn more. In keeping with our fundamental philosophy, we invest capital in each of our businesses. As of March 31, 2009, Fortress's investments in and commitments to our funds were \$0.9 billion, consisting of the net asset value of Fortress's principal investments of \$0.8 billion, and unfunded commitments to private equity funds and hybrid PE funds of \$0.1 billion.

We plan to strategically grow our fee-paying assets under management and will seek to generate superior risk-adjusted investment returns in our funds over the long term. We are guided by the following key objectives and values:

generating superior risk-adjusted investment returns;

introducing innovative new investment products, while remaining focused on, and continuing to grow, our existing lines of business;

maintaining our disciplined investment process and intensive asset management; and

adhering to the highest standards of professionalism and integrity.

We currently have approximately 800 employees, including more than 200 investment professionals, at our headquarters in New York and our affiliate offices in Atlanta, Charlotte, Dallas, Frankfurt, Hong Kong, London, Los Angeles, New Canaan, Shanghai, Sydney, Tokyo and Toronto.

Our Current Businesses

We raise, invest and manage private equity funds, liquid hedge funds and hybrid funds. We earn management fees based on the size of our funds, incentive income based on the performance of our funds, and investment income from our principal investments in those funds. We invest capital in each of our businesses.

As of March 31, 2009, we managed alternative assets in three core businesses:

Private Equity a business that manages approximately \$13.2 billion of AUM comprised of two business segments: (i) private equity funds that primarily make significant, control-oriented investments in debt and equity

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securities of public or privately held entities in North America and Western Europe, with a focus on acquiring and building asset-based businesses with significant cash flows; and (ii) publicly traded alternative investment vehicles, which we refer to as Castles, that invest primarily in real estate and real estate related debt investments.

Liquid Hedge Funds a business that manages approximately \$4.8 billion of AUM. These funds invest globally in fixed income, currency, equity and commodities markets and related derivatives to capitalize on imbalances in the financial markets.

Hybrid Funds a business that manages approximately \$8.5 billion of AUM comprised of two business segments: (i) hybrid hedge funds which make highly diversified investments globally in assets, opportunistic lending situations and securities throughout the capital structure with a value orientation, as well as in investment funds managed by external managers; and (ii) hybrid private equity (PE) funds which are comprised of a family of credit opportunities funds focused on investing in distressed and undervalued assets, a family of long dated value funds focused on investing in undervalued assets with limited current cash flows and long investment horizons, and a family of real assets funds focused on investing in tangible and intangible assets in four principal categories (real estate, capital assets, natural resources and intellectual property).

We treat our principal investments in these funds as a distinct business segment.

Principal Sources of Revenue*Overview*

Our principal sources of revenues from the Fortress Funds consist of (i) management fees, which are typically earned as a percentage of AUM, (ii) incentive income, which is typically earned as a percentage of profits, in some cases in excess of, or subject to achieving, specified thresholds, and (iii) investment income (loss), which represents the returns on our principal investments in the Fortress Funds. The following table provides the management fees and incentive income from Fortress Funds, on a segment reporting basis, of each of our core businesses for the previous three fiscal years and for the first quarter of 2009:

	March 31, 2009	2008	December 31, 2007	2006
	(in thousands)			
Private Equity				
<i>Funds</i>				
Management Fees	\$ 37,631	\$ 162,891	\$ 127,490	\$ 82,137
Incentive Income (A)		(94,719)	275,254	129,800
<i>Castles</i>				
Management Fees	11,911	54,102	49,661	32,544
Incentive Income		12	39,490	15,682
Liquid Hedge Funds				
Management Fees	22,629	217,575	158,882	92,746
Incentive Income		17,658	199,283	154,068
Hybrid Funds				
<i>Hedge Funds</i>				
Management Fees	28,123	147,823	129,516	84,536
Incentive Income	822	13,609	97,465	135,939
<i>PE Funds</i>				
Management Fees	6,081	15,300	4,449	2,142
Incentive Income		412		

(A) 2008 amount is net of a reserve for future clawback.

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Certain of our segments are comprised of, and dependent on the performance of, a limited number of Fortress Funds. Each of these funds is material to the results of operations of its segment and the loss of any of these funds would have a material adverse impact on the segment. Moreover, the revenues we earned from certain funds individually exceeded 10% of our total revenues on an unconsolidated basis for fiscal 2008 and for the first quarter of 2009.

Private Equity Funds

Overview

Our private equity business is made up primarily of a series of funds named the Fortress Investment Funds and organized to make control-oriented investments in cash flow generating, asset-based businesses in North America and Western Europe.

Fortress Investment Funds

Investors in our private equity funds commit capital at the outset of a fund, which is then drawn down as investment opportunities become available, generally over a one to three year investment period. Proceeds are returned to investors as investments are realized, generally over eight to ten years. Management fees of 1% to 1.5% are generally charged on committed capital during the investment period of a new fund, and then on invested capital (or NAV, if lower). Management fees are generally paid to us semi-annually in advance. We also generally earn a 20% share of the profits on each realized investment in a fund our incentive income subject to the fund achieving a minimum return with respect to the fund as a whole, that is, taking into account all gains and losses on all investments in the fund. In addition, we earn investment income (or incur losses) on our principal investments in the Fortress Investment Funds.

Castles

We manage two publicly traded companies: Newcastle Investment Corp. (NYSE: NCT) and Eurocastle Investment Limited (Euronext Amsterdam: ECT), which we call our Castles. Public equity in the Castles was raised with broad investment mandates to make investments in a wide variety of real estate related assets, including securities, loans and real estate properties. The companies have no employees; we provide each company with a management team pursuant to management agreements entered into with each company. Pursuant to our management agreements, we earn management fees from each Castle equal to 1.5% of its equity (as defined in such agreements). In addition, we earn incentive income equal to 25% of the company's funds from operations (or FFO, which is the real estate industry's supplemental measure of operating performance) in excess of specified returns to the company's shareholders. In addition to these fees, we also receive from the Castles, for services provided, options to purchase shares of their common stock in connection with each of their common stock offerings. These options are vested immediately, become exercisable over thirty months, and have an exercise price equal to the applicable offering price.

Liquid Hedge Funds

The liquid hedge funds, which invest daily in markets around the globe, seek to exploit opportunities in global currency, interest rate, equity and commodity markets and their related derivatives. Risk management is the cornerstone of the investment process, and the funds invest with a focus on preservation of capital. Investment opportunities are evaluated and rated on a thematic and an individual basis to determine appropriate risk-reward and capital allocations.

Liquid Hedge Funds

Our liquid hedge funds apply an investment process based on fundamental macroeconomic and market momentum analyses to identify strategies offering a favorable risk-return profile. The funds' investment

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strategies are premised on the belief that imbalances in various financial markets are created from time to time by the influence of economic, political and capital flow factors. The funds have the flexibility to allocate capital dynamically across a wide range of global strategies, markets and instruments as opportunities change, and are designed to take advantage of a wide variety of sources of market, economic and pricing data to generate trading ideas. The funds invest primarily in major developed markets; however, they also invest in emerging markets if market conditions present opportunities for attractive returns.

Management fees are charged based on the AUM of the Drawbridge Global Macro Funds at a rate equal to 2% or 3% annually, payable quarterly in advance, depending on the investment and liquidity terms elected by investors. We earn incentive income of either 20% or 25% of the fund's profits, payable quarterly, depending on the investment and liquidity terms elected by investors, and subject to achieving cumulative positive returns since the prior incentive income payment.

Investors in the Drawbridge Global Macro Funds may invest with the right to redeem without paying any redemption fee either quarterly, or annually after three years. However, unless a redemption fee is paid to the funds, full redemption by investors with quarterly liquidity takes a year, as the amount redeemed each quarter is limited to 25% of the investor's holding in the funds. Similarly, some investors with three-year liquidity may redeem annually before three years, subject to an early redemption fee payable to the funds.

The Drawbridge Global Macro Funds temporarily suspended redemptions in the fourth quarter of 2008 primarily due to the need to renegotiate the terms of various financing agreements to which one or more of those funds was a party as a result of the heavy volume of redemption requests. As part of a restructuring of those funds, certain assets were designated as illiquid and we reduced the management fee on those assets to 1.5%. After the suspension was lifted in January 2009, redeeming investors received a portion of their redemption proceeds in the form of interests in an entity that holds interests in the illiquid assets, and the remainder in cash.

Fortress Macro Fund

The Fortress Macro Fund was launched on May 1, 2009, as part of the restructuring of the Drawbridge Global Macro Funds whereby certain investors in the Drawbridge Global Macro Funds exchanged their interests in the liquid pool of assets of those funds into interests in the Fortress Macro Fund. Exchanging investors were able to carry over their high water mark from the Drawbridge Global Macro Funds. As a result, we will not immediately earn incentive income on profits relating to their capital.

Management fees are charged based on the AUM of the Fortress Macro Fund at a rate equal to 1.5% or 2% annually, payable quarterly in advance, depending on the liquidity terms elected by investors. We earn incentive income of either 15% or 20% of this fund's profits, payable annually, depending on the liquidity terms elected by investors, and subject to achieving cumulative positive returns since the prior incentive income payment. Investors in the Fortress Macro Fund may invest with the right to redeem without paying any redemption fee either quarterly, or annually after three years.

Commodities Fund

This fund's principal investment objective is to seek a superior total return on its assets by executing a directional investment strategy in the global commodity and equity markets. This fund was established in 2008 and seeks to identify optimal risk-adjusted strategies by assessing opportunities along various points of the relevant commodity and equity supply chains. This fund expects to invest across multiple sectors within the commodity asset class ranging from energy to metals to agriculture and within the cyclical, industrial, and commodity equity universe.

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Hybrid Funds

Hybrid Hedge Funds

Our hybrid hedge funds are designed to exploit pricing anomalies that exist between the public and private finance markets. These investment opportunities are often found outside the traditional broker-dealer mediated channels in which investments that are efficiently priced and intermediated by large financial institutions are typically presented to the private investment fund community. We have developed a proprietary network comprised of internal and external resources to exclusively source transactions for the funds.

The funds are able to invest in a wide array of financial instruments, ranging from assets, opportunistic lending situations and securities throughout the capital structure with a value orientation. All of these investments are based on fundamental bottom up analysis and are typically event driven. The funds' diverse and idiosyncratic investments require significant infrastructure and asset management experience to fully realize value. We have developed a substantial asset management infrastructure with expertise in managing the funds' investments in order to be able to maximize the net present value of investments on a monthly basis. Our endowment strategy funds are designed to blend this direct bottom up investing style with third party managers to create excellent risk adjusted returns with an emphasis on capital preservation.

Drawbridge Special Opportunities Funds

The Drawbridge Special Opportunities Funds form the core of our hybrid hedge fund investing strategy. The funds opportunistically acquire a diversified portfolio of investments primarily throughout the United States, Western Europe and the Pacific region. The funds' investment program incorporates three complementary investment strategies, focusing on asset-based transactions, loans and corporate securities. The majority of the funds' investments are relatively illiquid, and the funds generally make investments that are expected to liquidate or be realized within a five-year period.

Management fees are charged based on the AUM of the Drawbridge Special Opportunities Funds at a rate equal to 2% annually, payable quarterly in advance. We generally earn incentive income of 20% of the funds' profits, payable annually, and subject to achieving cumulative positive returns since the prior incentive income payment. Investors in the Drawbridge Special Opportunities Funds may redeem annually on December 31. Because of the illiquid nature of the funds' investments, rather than receiving redemption proceeds immediately, redeeming investors may have to receive their redemption proceeds as and when the particular investments held by the fund at the time of redemption are realized.

Fortress Partners Funds

The Fortress Partners Funds were launched in July 2006. The funds invest with a broad mandate, similar to endowment portfolios of large universities. Investments are made both in Fortress Funds and in funds managed by other managers, and in direct investments that are sourced either by Fortress personnel or by third-party fund managers with whom we have relationships.

Hybrid PE Funds

Our hybrid PE funds are comprised of three families of funds as described below.

Credit Opportunities Funds

Fortress established the Fortress Credit Opportunities Funds in 2008 to make opportunistic credit-related investments. Their investment objective is to generate significant current income and long-term capital appreciation through investments in a range of distressed and undervalued credit investments, including but not

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limited to residential loans and securities, commercial mortgage loans and securities, opportunistic corporate loans and securities, and other consumer or commercial assets and asset-backed securities.

Long Dated Value Funds

In addition to our Fortress Investment Fund family of funds, we introduced in early 2005 a pioneering private equity fund product – the Long Dated Value family of funds – which focuses on making investments with long dated cash flows that may be undervalued because of the lack of current cash flows or because the investment is encumbered by a long term lease or financing, and that provide the potential for significant capital appreciation over the long term.

The Long Dated Value Funds are generally similar in structure to the Fortress Investment Fund family of funds, including in terms of fees payable to us, except that the funds have an investment life of 25 years, reflecting the funds’ investment profiles, and incentive income is distributed to us after all of a fund’s invested capital has been returned, rather than as each investment is realized.

Real Assets Funds

Fortress established the Real Assets Funds in 2007 seeking to generate superior risk adjusted returns by opportunistically investing in tangible and intangible assets with the potential to achieve significant value generally within a three-to-ten year time horizon. The investment program of these funds focuses on direct investments in four principal investment categories – real estate, capital assets, natural resources and intellectual property – but also may include indirect investments in the form of interests in real estate investment trusts, master limited partnerships, corporate securities, debt securities and debt obligations – including those that provide equity upside – as well as options, royalties, residuals and other call rights that provide these funds with the potential for significant capital appreciation. The investments are located primarily in North America and Western Europe, but may also include opportunities in Australia, Asia and elsewhere on an opportunistic basis.

Recent Developments

In May 2009, certain consolidated affiliates of Fortress executed several agreements to become the investment manager of certain investment funds currently managed by D.B. Zwirn & Co., L.P. (the “Zwirn Funds”) and to effect other related transactions. Consummation of these transactions is currently anticipated to occur in the second quarter of 2009 subject to the satisfaction of various conditions, including the approval of investors in certain of the Zwirn Funds. As of May 5, 2009, the Zwirn Funds managed approximately \$2 billion of assets.

The following table sets forth estimated returns for our hedge funds:

Hybrid

	Estimated ² Month Ended April 30, 2009	Estimated ² Year to Date Through April 30, 2009
Net Returns¹		
Drawbridge Special Opportunities LP ³	1.3%	4.5%
Drawbridge Special Opportunities Ltd ³	0.3%	3.8%
Fortress Partners Fund LP	2.1%	0.1%
Fortress Partners Offshore Fund LP	2.4%	1.0%

¹ The performance data contained herein reflects returns for a new issue eligible investor, net of all fees and expenses borne by the applicable fund as of the close of business on the last day of the relevant period. Fund

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investor performance may also vary based on, among other things, whether an investor is invested in one or more special investments and the particular fee class to which an investor subscribed.

² Estimated returns are subject to change, and actual results could differ significantly from these estimates.

³ The returns for the Drawbridge Special Opportunities Funds reflect the performance of each fund excluding the performance of the redeeming capital accounts which relate to December 31, 2008 redemptions.

Liquid

	Estimated ² Month Ended April 30, 2009	Estimated ² Month Through May 8, 2009	Estimated ² Year to Date Through May 8, 2009
Net Returns¹			
Drawbridge Global Macro Fund Ltd.	0.5%	1.5%	7.3%
Fortress Macro Offshore Fund LP ³	N/A	1.6%	1.6%
Fortress Commodities Fund L.P.	0.0%	2.7%	2.2%

¹ The performance data contained herein reflects returns for a new issue eligible investor, net of all fees and expenses borne by the applicable fund as of the close of business on the last day of the relevant period. Fund investor performance may also vary based on, among other things, whether an investor is invested in one or more special investments and the particular fee class to which an investor subscribed.

² Estimated returns are subject to change, and actual results could differ significantly from these estimates.

³ Fund started on May 1, 2009.

Florida East Coast Industries Inc. (FECI), in which we have a total of \$281.4 million in direct and indirect equity investments and which therefore constitutes our largest single balance sheet investment, has borrowed a total of approximately \$1.6 billion under a credit agreement which matures on July 27, 2009. FECI is currently in negotiations with its lenders under the credit agreement to refinance this indebtedness prior to maturity, and we currently expect that the refinancing will be successfully completed prior to the maturity of the facility. Under the terms of the credit agreement, FECI is required to deliver audited financial statements to its lenders by May 15, 2009, and we do not expect it to deliver those statements. Failure to deliver such statements would result in a technical event of default under the credit agreement, which would permit FECI's lenders to accelerate the full amount of the indebtedness in their discretion. Based on discussions between FECI and its lenders, we do not currently expect the lenders to exercise this right. Acceleration of FECI's indebtedness (or the maturity of the facility without being refinanced) could result in a decrease in the valuations ascribed to our direct and indirect investments in FECI which would be taken into account in determining our compliance with covenants under our credit agreement.

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THE OFFERING

Gross proceeds from shares offered by us in this offering \$125,000,000

Shares offered by us in this offering Class A shares
Shares to be outstanding immediately after this offering:

Class A shares

Class B shares 312,071,550

Shares to be held by our principals immediately after this offering:

Class A shares

Class B shares 312,071,550

Fortress Operating Group units held immediately after this offering:

by us or approximately %

by our principals or approximately %

Voting

Class A shares one vote per share

Class B shares one vote per share

Voting Rights Holders of our Class A shares and Class B shares vote together as a single class on all matters submitted to our shareholders for their vote or approval. See **Description of Shares** beginning on page 6 in the accompanying prospectus.

Use of proceeds We intend to use the net proceeds from the shares sold by us in this offering to repay approximately \$60 million under the Credit Agreement (as defined under **Use of Proceeds**), and the remainder for working capital and other general corporate purposes, which may include investments as the general partner in Fortress Funds. See **Use of Proceeds** in this prospectus supplement.

New York Stock Exchange symbol FIG

Risk factors

Please read the section entitled "Risk Factors" on page S-12 of this prospectus supplement and in the documents incorporated by reference for a discussion of some of the factors you should carefully consider before deciding to invest in our Class A shares.

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The number of Class A shares and Class B shares to be issued and outstanding after this offering is based on 94,638,415 Class A shares issued and outstanding as of May 11, 2009 and 312,071,550 Class B shares issued and outstanding as of May 11, 2009, and excludes:

312,071,550 Class A shares issuable upon exchange of Fortress Operating Group units by our principals;

Class A shares issuable upon exercise of the underwriters' over-allotment option; and

interests granted under our equity incentive plan, consisting of:

47,923,984 restricted Class A share units granted to employees and affiliates (net of forfeitures);

138,064 restricted Class A shares granted to directors pursuant to our equity incentive plan; and

66,937,952 Class A shares and Fortress Operating Group units that remain available for future grant under our equity incentive plan.

31,000,000 restricted partnership units issued to one of our senior employees together with a corresponding number of Class B shares that may be issuable in respect of such restricted partnership units.

Table of Contents**SUMMARY HISTORICAL FINANCIAL AND OPERATING INFORMATION**

The following table sets forth certain summary financial information on a historical basis.

The summary historical financial information set forth below as of December 31, 2008, 2007, 2006, 2005 and 2004 and for each of the five years ended December 31, 2008, has been derived from our audited consolidated and combined financial statements. The summary historical financial information set forth below as of March 31, 2009 and 2008, and for the three months ended March 31, 2009 and 2008, has been derived from our unaudited interim consolidated financial statements. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

	Three Months Ended March 31,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
(in thousands, except share data)							
Operating Data							
Revenues							
Management fees and incentive income from affiliates and other revenues	\$ 122,296	\$ 200,880	\$ 731,800	\$ 926,985	\$ 410,815	\$ 284,313	\$ 128,671
Interest and dividend income - investment company holdings				309,030	1,110,489	759,086	222,707
	122,296	200,880	731,800	1,236,015	1,521,304	1,043,399	351,378
Expenses							
	372,007	393,728	1,530,353	1,787,043	1,117,283	685,229	198,403
Other Income (Loss)							
Gains (losses) - investment company holdings				(647,477)	6,594,029	2,903,978	881,658
Gains (losses) - other investments	(2,473)	(27,957)	(58,305)	(109,160)	173,641	37,181	20,512
Tax receivable agreement liability reduction	(55)		55,115				
Earnings (losses) from equity method investees	(34,849)	(49,129)	(304,180)	(61,674)	5,039	10,465	14,616
	(37,377)	(77,086)	(307,370)	(818,311)	6,772,709	2,951,624	916,786
Income (loss) before deferred incentive income and income taxes							
	(287,088)	(269,934)	(1,105,923)	(1,369,339)	7,176,730	3,309,794	1,069,761
Deferred incentive income				307,034	(1,066,137)	(444,567)	(104,558)
Income (loss) before income taxes							
	(287,088)	(269,934)	(1,105,923)	(1,062,305)	6,110,593	2,865,227	965,203
Income tax benefit (expense)	407	(7,252)	(115,163)	5,632	(12,525)	(9,625)	(3,388)
Net Income (Loss)							
	\$ (286,681)	\$ (277,186)	\$ (1,221,086)	\$ (1,056,673)	\$ 6,098,068	\$ 2,855,602	\$ 961,815
Principals and Others Interests in Income (Loss) of Consolidated Subsidiaries (A)							
	\$ (219,522)	\$ (208,269)	\$ (898,798)	\$ (996,870)	\$ 5,655,184	\$ 2,662,926	\$ 847,365
Net Income (Loss) Attributable to Class A Shareholders (B)							
	\$ (67,159)	\$ (68,917)	\$ (322,288)	\$ (59,803)	\$ 442,884	\$ 192,676	\$ 114,450
Dividends declared per Class A share							
	\$	\$ 0.2250	\$ 0.4500	\$ 0.8424			

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	Three Months Ended March 31,		Year Ended December 31,				2004			
	2009	2008	2008	2007	2006	2005				
	(in thousands, except share data)									
	Jan 1 through Jan 16									
Earnings Per Unit - Fortress Operating Group										
Net income per Fortress Operating Group unit			\$	0.36	\$	1.21	\$	0.52	\$	0.31
Weighted average number of Fortress Operating Group units outstanding				367,143,000		367,143,000		367,143,000		367,143,000

	Jan 17 through Dec 31							
	Earnings Per Class A Share - Fortress Investment Group							
Net income (loss) per Class A share, basic	\$	(0.71)	\$	(0.74)	\$	(3.50)	\$	(2.14)
Net income (loss) per Class A share, diluted	\$	(0.71)	\$	(0.74)	\$	(3.50)	\$	(2.14)
Weighted average number of Class A shares outstanding, basic	95,202,243	94,894,636	94,934,487	92,214,827				
Weighted average number of Class A shares outstanding, diluted	95,202,243	406,966,186	94,934,487	92,214,827				

	As of March 31,		As of December 31,							
	2009	2008	2008	2007	2006	2005	2004			
Balance Sheet Data										
Investment company holdings, at fair value	\$		\$		\$	21,944,596	\$	10,582,109	\$	5,365,309
Other investments	760,052	1,010,242	774,421	1,107,919	176,833	451,489	48,444			
Cash, cash equivalents and restricted cash	43,308	372,678	263,337	100,409	625,205	288,363	179,727			
Total assets	1,372,503	2,011,706	1,577,735	1,989,781	23,682,573	11,863,938	5,796,733			
Debt obligations payable	604,041	800,000	729,041	535,000	3,306,609	2,250,433	928,504			
Deferred incentive income	163,635	167,679	163,635	173,561	1,648,782	585,864	141,277			
Total liabilities	1,220,068	1,619,959	1,423,715	1,491,633	5,692,157	3,343,262	1,306,021			
Shareholders' /members' equity, including accumulated other comprehensive income (loss) (B)	82,371	164,927	82,558	190,125	121,521	123,509	84,877			
Principals' and others' interests in equity of consolidated subsidiaries (A)	70,064	226,820	71,462	308,023	17,868,895	8,397,167	4,405,835			
Total Equity	152,435	391,747	154,020	498,148	17,990,416	8,520,676	4,490,712			

(A) For the years ended December 31, 2004, 2005, and 2006, prior to the issuance of the Class A shares, this amount does not include the Principals' interests.
 (B) For the years ended December 31, 2004, 2005 and 2006, prior to the issuance of the Class A shares, this amount represents the Principals' interests.

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RISK FACTORS

Investing in our Class A shares involves a high degree of risk. Before deciding to invest in our Class A shares, you should carefully consider the risk factors incorporated by reference in this prospectus supplement, including in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2008, as amended by our Current Report on Form 8-K filed with the SEC on May 13, 2009, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, as well as other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations and cash flow, in which case, the trading price of our Class A shares would decline and you could lose all or part of your investment.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$119 million, or approximately \$137 million if the underwriters exercise their over-allotment option in full, in each case after deducting underwriting discounts and estimated offering expenses.

We intend to use the net proceeds to us from this offering to repay approximately \$60 million under the Third Amended and Restated Credit Agreement, dated as of May 29, 2008, among us, Citibank, N.A., Bank of America, N.A., J.P. Morgan Chase Bank, N.A. and the other lenders party thereto (as amended, the Credit Agreement), and the remainder for working capital and other general corporate purposes, which may include investments as the general partner in Fortress Funds. Affiliates of certain underwriters in this offering are lenders under the Credit Agreement and will receive their respective share of the amounts repaid thereunder with the net proceeds of this offering. See Underwriting.

As of the date hereof, the Credit Agreement consists of a \$550 million term loan facility and a \$75 million revolving credit facility. As of May 6, 2009, we had a \$550 million term loan outstanding and \$54 million outstanding under our revolving credit facility (in addition to \$9.7 million of letters of credit that were outstanding under a letter of credit subfacility). The Credit Agreement matures on May 10, 2012.

Borrowings and letters of credit issued under the Credit Agreement bear interest at a rate equal to (i) with respect to LIBOR loans, LIBOR plus 2.50%, or (ii) with respect to base rate loans, the higher of (a) the Federal Funds Rate plus 2.0% and (b) the Bank of America prime rate plus 1.50%. In addition, we are required to pay a commitment fee of 0.5% per annum on the unused portion of amounts available under our revolving credit facility. At May 11, 2009, one month LIBOR was 0.35375%, the Bank of America prime rate was 3.25% and the Federal Funds Rate was 0.17%.

Borrowings under the Credit Agreement when it was initially entered into in May 2007 were used to refinance our then existing credit agreement, reduce the amount of interest and other fees payable under our credit facilities and increase the amount of funds available for investments.

Pending the application of the net proceeds for these purposes, the net proceeds may be invested temporarily in interest-bearing accounts and short-term interest-bearing securities.

Table of Contents**PRICE RANGE OF OUR CLASS A SHARES AND DIVIDENDS**

Our Class A shares are listed for trading on the New York Stock Exchange under the symbol FIG. The following table sets forth the quarterly high and low prices of our Class A shares on the New York Stock Exchange for the periods indicated since our initial public offering and dividends during such periods:

	High	Low	Dividends per Share
Year Ended December 31, 2007			
First Quarter (from February 9, 2007)	\$ 37.00	\$ 23.34	\$ 0.1225
Second Quarter	\$ 34.03	\$ 21.90	\$ 0.225
Third Quarter	\$ 25.06	\$ 16.05	\$ 0.225
Fourth Quarter	\$ 24.73	\$ 14.97	\$ 0.225
Year Ended December 31, 2008			
First Quarter	\$ 16.58	\$ 9.50	\$ 0.225
Second Quarter	\$ 16.00	\$ 11.69	\$ 0.225
Third Quarter	\$ 13.85	\$ 8.38	\$ 0.00
Fourth Quarter	\$ 10.47	\$ 0.77	\$ 0.00
Year ending December 31, 2009			
First Quarter	\$ 3.40	\$ 1.02	\$ 0.00
Second Quarter (through May 13, 2009)	\$ 8.30	\$ 2.03	\$ (1)

(1) Our board of directors has not yet determined whether to declare a dividend for the second quarter of 2009.

We did not pay a dividend for the third quarter of 2008 through the first quarter of 2009. The decision to pay a dividend, as well as the amount of any dividends paid, is subject to change at the discretion of our board of directors based upon a number of factors, including actual and projected distributable earnings, contractual prohibitions and other limitations and applicable law. If current conditions persist or deteriorate, we may be unable to pay any dividends for the foreseeable future.

On May 13, 2009, the closing sale price of our Class A shares as reported on the New York Stock Exchange was \$5.38 per share. As of May 11, 2009, there were 17 record holders of our Class A shares. This figure does not reflect the beneficial ownership of shares held in nominee name, nor does it include holders of our Class B shares, restricted Class A shares, restricted Class A share units or restricted partnership units.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2009 on an actual basis and on an as adjusted basis assuming the issuance and sale of all Class A shares in this offering for net proceeds of approximately \$60 million after deducting estimated offering expenses and after application of proceeds to the repayment of outstanding amounts under our Credit Agreement. The following information should be read in conjunction with our consolidated financial statements and the notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of March 31, 2009	
	Actual	As Adjusted
	(dollars in thousands)	
Cash and cash equivalents	\$ 43,308	\$ 102,917
Debt obligations payable	\$ 604,041	\$ 544,432
Equity		
Class A shares, no par value, 1,000,000,000 shares authorized, 94,638,415 shares issued and outstanding, actual; shares issued and outstanding, as adjusted	\$	\$
Class B shares, no par value, 750,000,000 shares authorized, 312,071,550 shares issued and outstanding, actual; shares issued and outstanding, as adjusted		
Paid-in capital	663,848	696,533
Retained earnings (accumulated deficit)	(580,538)	(580,538)
Accumulated other comprehensive income (loss)	(939)	(939)
Total Fortress shareholders equity	82,371	115,056
Principals and others interests in equity of consolidated subsidiaries	70,064	156,598
Total equity	152,435	271,654
Total capitalization	\$ 756,476	\$ 816,086

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UNDERWRITING

Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Nomura Securities International, Inc. are acting as Joint Book-Running Managers of the offering and are acting as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement among us and the underwriters dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of Class A shares set forth opposite the underwriter's name.

Underwriter	Number of Class A Shares
Citigroup Global Markets Inc.	
J.P. Morgan Securities Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Nomura Securities International, Inc.	
Total	

The underwriting agreement provides that the obligations of the underwriters to purchase the Class A shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the Class A shares (other than those covered by the over-allotment option described below) if they purchase any of the Class A shares.

The underwriters propose to initially offer the Class A shares to the public at the public offering price set forth on the cover page of this prospectus supplement and shares to dealers at the public offering price with a selling concession not to exceed \$ _____ per share. If all of the Class A shares are not sold at the public offering price, the representatives may change the public offering price and the other selling terms.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to \$18,750,000 of additional Class A shares at the public offering price appearing on the cover page of this prospectus supplement, less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent this option is exercised, each underwriter must purchase a number of additional Class A shares approximately proportionate to that underwriter's initial purchase commitment.

Subject to specified exceptions, our principals, executive officers, directors and Nomura Holdings, Inc. have agreed that for a period of 60 days after the date of this prospectus supplement they will not, without the prior, written consent of Citigroup Global Markets Inc., offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any Class A shares, any securities convertible into or exchangeable for, or that represent the right to receive, any Class A shares. In addition, we have agreed that, for a period of 60 days after the date of this prospectus supplement, we will not, directly or indirectly, without the prior written consent of Citigroup Global Markets Inc., offer, sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any securities of ours that are substantially similar to the Class A shares, including but not limited to any options or warrants to purchase Class A shares or any securities that are convertible into or exchangeable for, or that represent the right to receive, Class A shares or any such substantially similar securities or, except as provided below, file with the SEC a registration statement under the Securities Act of 1933, as amended, relating to any additional Class A shares or securities convertible into Class A shares. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or announce material news or a material event or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results during the 15-day period following the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

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Our Class A shares are listed on the New York Stock Exchange under the symbol FIG.

The following table shows the per share and total public offering price, underwriting discount and proceeds before expenses to us. This information assumes either no exercise or full exercise by the underwriters of their over-allotment option described below.

	Per Share	Without Option	With Option
Public offering price			
Underwriting discount			
Proceeds, before expenses, to us			

We estimate that our total expenses of this offering excluding underwriting discounts and commissions will be approximately \$1 million.

Because we may be deemed to be an affiliate of Nomura Securities International, Inc. under Rule 2810 of the Conduct Rules of the National Association of Securities Dealers, Inc., no underwriter will confirm sales to accounts over which it exercises discretionary authority without the prior written approval of its customer.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc. (FINRA), the maximum compensation to be received by any FINRA member or independent broker-dealer may not exceed 10% of the aggregate offering price of the securities offered hereby.

In connection with this offering, the underwriters may purchase and sell our Class A shares in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares in the offering. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Naked short sales are sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Class A shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A shares made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our Class A shares or preventing or retarding a decline in the market price of our Class A shares. As a result, the price of our Class A shares may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A shares. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive, as defined below (each, a Relevant Member State), an offer to the public of any Class A

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shares which are the subject of the offering contemplated by this prospectus supplement may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Class A shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- c) by the underwriters to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Class A shares shall result in a requirement for the publication by Fortress or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer within the EEA of Class A shares which are the subject of the offering contemplated in this prospectus supplement should only do so in circumstances in which no obligation arises for Fortress or any of the underwriters to produce a prospectus for such offer. Neither Fortress nor the underwriters have authorized, nor do they authorize, the making of any offer of Class A shares through any financial intermediary, other than offers made by underwriters which constitute the final offering of Class A shares contemplated in this prospectus supplement.

For the purposes of this provision, the expression an offer to the public in relation to any Class A shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Class A shares to be offered so as to enable an investor to decide to purchase any Class A shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Class A shares which are the subject of, the offering contemplated by this prospectus supplement will be deemed to have represented, warranted and agreed to and with each underwriter and Fortress that:

- a) such person is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- b) in the case of any Class A shares acquired by such person as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Class A shares acquired by such person in this offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where Class A shares have been acquired by such person on behalf of other persons in any Relevant Member State other than qualified investors, the offer of those Class A shares to such person is not treated under the Prospectus Directive as having been made to such other persons.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals

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falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities,

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and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in France

Neither this prospectus supplement nor any other offering material relating to the shares described in this prospectus supplement has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares offered in this prospectus supplement have not been registered under the Securities and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other

applicable requirements of Japanese law.

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Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

Notice to Prospective Investors in Switzerland

This prospectus supplement, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a of the Swiss Code of Obligations. The shares will not be listed on the SWX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SWX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SWX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, *i.e.* to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This prospectus supplement, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This prospectus supplement may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

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Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This prospectus supplement is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this prospectus supplement nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of the offering contemplated by this prospectus supplement may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated may facilitate Internet distribution for this offering to certain of its Internet subscription customers. The representatives will allocate shares to underwriters that may make Internet distributions on the same basis as other allocations. In addition, shares may be sold by the underwriters to securities dealers who resell shares to online brokerage account holders. An electronic prospectus supplement is available on the Internet website maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other than the prospectus supplement in electronic format, the information on the Merrill Lynch, Pierce, Fenner & Smith Incorporated website is not part of this prospectus supplement.

We have agreed to indemnify the underwriters and their respective controlling persons against specified liabilities in connection with this offering, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as Administration Agent, L/C Issuer, Joint Lead Arranger, Joint Book Manager and a lender under our Credit Agreement. Affiliates of Citigroup Global Markets Inc. are acting as Syndication Agent, Joint Lead Arranger, Joint Book Manager and a lender under our Credit Agreement. An affiliate of J.P. Morgan Securities Inc. is also a lender under our Credit Agreement. In addition, affiliates of the syndicate of underwriters that may offer our Class A shares in this offering may include lenders under our Credit Agreement. Any such affiliates of the lenders under our Credit Agreement would also receive a pro rata portion of the proceeds from this offering used to reduce amounts outstanding under our Credit Agreement. As of May 6, 2009, we had a \$550 million term loan outstanding and \$54 million outstanding under our revolving credit facility (in addition to \$9.7 million of letters of credit that were outstanding under a letter of credit subfacility). We intend to use a portion of the net proceeds to us from this offering to repay approximately \$60 million under our Credit Agreement, upon application of the net proceeds from this offering, each lender will receive its proportionate share of the amount repaid. Under those circumstances, the aggregate amount to be repaid to the lenders that are affiliates of such underwriters is expected to exceed 10% of the net proceeds of this offering.

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under FECS credit facility.

An affiliate of Nomura Holdings, Inc., Nomura Securities International, Inc., is acting as an underwriter in this offering. Nomura Holdings, Inc. owned 55,087,666 of our Class A shares outstanding prior to this offering. Nomura Holdings, Inc. has agreed to purchase 13.5% of the Class A shares being offered pursuant to this prospectus supplement at the initial public offering price (up to an aggregate amount of \$40.0 million). Additionally, Takumi Shibata, Deputy President, Chief Operating Officer and member of the Executive Board of Nomura Holdings, Inc., is a member of our board of directors.

The underwriters and certain of their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us and our affiliates. They have received or will continue to receive customary fees and commissions for these transactions.

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LEGAL MATTERS

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher and Flom LLP, New York, New York. Sidley Austin LLP, New York, New York, will act as counsel to the underwriters in this offering. Skadden, Arps, Slate, Meagher and Flom LLP and Sidley Austin LLP have represented us in the past and continue to represent us on a regular basis on a variety of legal matters.

EXPERTS

The consolidated financial statements of Fortress Investment Group LLC for the year ended December 31, 2008 appearing in Fortress Investment Group LLC's Current Report on Form 8-K filed with the SEC on May 13, 2009, and the effectiveness of Fortress Investment Group LLC's internal control over financial reporting as of December 31, 2008, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings can be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available over the Internet at the SEC's website at <http://www.sec.gov>. Our Class A shares are listed and traded on the New York Stock Exchange, or NYSE, under the trading symbol FIG. Our reports, proxy statements and other information can also be read at the offices of the NYSE, 20 Broad Street, New York, New York 10005. General information about us, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at www.fortress.com as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus supplement, the accompanying prospectus or our other SEC filings and is not a part hereof or thereof.

INCORPORATION BY REFERENCE

We have filed a registration statement on Form S-3 under the Securities Act with the SEC to register the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not contain all the information contained in the registration statement because certain parts of the registration statement are omitted in accordance with the rules and regulations of the SEC. The registration statement and the documents filed as exhibits to the registration statement are available for inspection and copying as described above.

The SEC allows us to incorporate information from documents that we have filed or will file with the SEC into this prospectus supplement by making reference to those documents in this prospectus supplement. This incorporation by reference permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus supplement and any information filed by us with the SEC subsequent to the date of this prospectus supplement will automatically be deemed to update and supersede this information.

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We incorporate by reference the following documents which we have already filed with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the SEC on March 16, 2009;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed with the SEC on May 11, 2009;

our Definitive Proxy Statement on Schedule 14-A, filed on April 30, 2009;

our Current Report on Form 8-K, filed with the SEC on May 13, 2009; and

the description of our Class A shares contained in our registration statement on Form 8-A, filed with the SEC on February 2, 2007, and any amendment or report filed thereafter for the purpose of updating such information.

All documents and reports that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, from the date of this prospectus supplement until the termination of the offering of the Class A shares under this prospectus supplement, shall be deemed to be incorporated in this prospectus supplement by reference.

We will provide to each person, including any beneficial owner to whom a prospectus supplement is delivered, a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address:

Fortress Investment Group LLC

1345 Avenue of the Americas, 46th Floor

New York, New York 10105

Attention: Secretary

(212) 798-6100

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PROSPECTUS

Fortress Investment Group LLC

Class A Shares, Representing Class A Limited Liability

Company Interests

Preferred Shares, Representing Limited Liability Company

Interests

Depositary Shares

Warrants

Subscription Rights

Purchase Contracts

Purchase Units

We may offer and sell from time to time, in one or more offering, in amounts, at prices and on terms determined at the time of any such offering, (i) Class A shares representing Class A limited liability company interests, (ii) preferred shares representing limited liability company interests, (iii) depositary shares representing preferred shares, (iv) warrants, (v) subscription rights, (vi) purchase contracts, or (vii) purchase units.

We will provide the specific terms of the offered securities in supplements to this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you make your investment decision.

THIS PROSPECTUS MAY NOT BE USED TO SELL SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

The securities may be offered and sold to or through underwriting syndicates managed or co-managed by one or more underwriters, dealers and agents, or directly to purchasers. The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering. For general information about the distribution of securities offered, please see **Plan of Distribution on page 52 in this prospectus.**

Our Class A shares are listed on the New York Stock Exchange under the trading symbol FIG.

Investing in our securities involves a high degree of risk. You should carefully read and consider the risk factors described in this prospectus, any accompanying prospectus supplement and in the documents incorporated by reference into this prospectus. See Risk Factors beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 3, 2008

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WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings can be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available over the Internet at the SEC's website at <http://www.sec.gov>. Our Class A shares are listed and traded on the New York Stock Exchange, or NYSE, under the trading symbol FIG. Our reports, proxy statements and other information can also be read at the offices of the NYSE, 20 Broad Street, New York, New York 10005. General information about us, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at www.fortress.com as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus or our other filings and is not a part of these filings.

We have filed a registration statement on Form S-3 under the Securities Act with the SEC to register the securities offered by this prospectus. This prospectus does not contain all the information contained in the registration statement because certain parts of the registration statement are omitted in accordance with the rules and regulations of the SEC. The registration statement and the documents filed as exhibits to the registration statement are available for inspection and copying as described above.

The SEC allows us to incorporate information from documents that we have filed or will file with the SEC into this prospectus by making reference to those documents in this prospectus. This incorporation by reference permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus and any information filed by us with the SEC subsequent to the date of this prospectus will automatically be deemed to update and supersede this information.

We incorporate by reference the following documents which we have already filed with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed):

our Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on March 28, 2008;

our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2008 and June 30, 2008, filed with the SEC on May 15, 2008 and August 12, 2008;

our Definitive Proxy Statement on Schedule 14-A, filed on April 21, 2008;

our Current Reports on Form 8-K, filed on April 23, 2008 and May 30, 2008; and

the description of our shares contained in our registration statement on Form 8-A, filed with the SEC on February 2, 2007, and any amendment or report filed thereafter for the purpose of updating such information.

All documents and reports that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, from the date of this prospectus until the termination of the offering of all securities under this prospectus, shall be deemed to be incorporated in this prospectus by reference.

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We will provide to each person, including any beneficial owner to whom a prospectus is delivered, a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address:

Fortress Investment Group LLC

1345 Avenue of the Americas, 46th Floor

New York, New York 10105

Attention: Secretary

(212) 798-6100

You should rely only on the information contained in, or incorporated by reference into, this prospectus. We have not authorized anyone to provide you with different or additional information. We are not offering to sell or soliciting any offer to buy any securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus or in any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to, among other things, the operating performance of our funds investments, our distributable earnings, our ability to pay dividends to our Class A shareholders and our financing needs. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, anticipate, estimate, overestimate, underestimate, believe, could, project, predict, continue or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. Factors that could affect our operations and future prospects include, but are not limited to:

the loss of services of any of the principals or our investment professionals;

adverse performance of our funds;

adverse changes in the global investment markets;

the termination or liquidation of any of our funds;

litigation against us or our funds;

legislative and regulatory changes, particularly related to taxation;

our ability to deal appropriately with conflicts of interest;

our ability to comply with the laws and regulations;

adverse changes in the financing markets we access affecting our ability to finance investments;

our ability and cost of capital for future investments;

completion of pending investments;

our ability to monetize our investments on attractive terms;

our ability to raise funds;

counterparty defaults;

trading or risk management errors, employee misconduct and other operational risks;

competition within the alternative asset management industry; and

other risks detailed in this prospectus or any prospectus supplement, and from time to time in our SEC reports, particularly under the heading Risk Factors.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance or achievements. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management's views only as of the date of this registration statement. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform these statements to actual results.

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FORTRESS INVESTMENT GROUP LLC

Fortress Investment Group LLC is a leading global alternative asset manager with approximately \$35.1 billion in fee paying assets under management as of June 30, 2008. We raise, invest and manage private equity funds and hedge funds. We earn management fees based on the size of our funds, incentive income based on the performance of our funds, and investment income from our principal investments in those funds. We invest capital in each of our businesses.

As of June 30, 2008, we had more than 800 employees, including more than 300 investment professionals, at our headquarters in New York and our affiliate offices in Atlanta, Chicago, Dallas, Frankfurt, Geneva, Hong Kong, London, Los Angeles, Munich, New Canaan, Rome, San Diego, San Francisco, Shanghai, Sydney, Tokyo and Toronto.

All of our business activities are conducted by, and all of our principal assets are held by, the Fortress Operating Group. Fortress Investment Group LLC and the principals share in the profits (and losses) of the Operating Entities and Principal Holdings in proportion to their ownership interests. Fortress Operating Group units held by Fortress Investment Group LLC and the principals are economically identical in all respects. The principals receive distributions on their Fortress Operating Group units and do not receive any management fees or incentive fees from our funds.

Our principal executive offices are located at 1345 Avenue of the Americas, New York, New York 10105. Our telephone number is (212) 798-6100. Our website address is www.fortress.com. Information on our website does not constitute part of this prospectus.

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RISK FACTORS

Before you invest in our securities, in addition to the other information, documents or reports incorporated by reference in this prospectus and any prospectus supplement or other offering materials, you should carefully consider the risk factors in the section entitled "Risk Factors" in any prospectus supplement as well as our most recent Annual Report on Form 10-K, and in our Quarterly Reports on Form 10-Q filed subsequent to the Annual Report on Form 10-K, which are incorporated by reference into this prospectus and any prospectus supplement in their entirety, as the same may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future. Each of the risks described in these sections and documents could materially and adversely affect our business, financial condition, results of operations and prospects, and could result in a partial or complete loss of your investment.

RATIO OF COMBINED FIXED CHARGES AND PREFERENCE DIVIDEND TO EARNINGS

We have no preferred shares outstanding.

USE OF PROCEEDS

Unless otherwise set forth in a prospectus supplement, we intend to use the net proceeds of any offering of our securities for working capital and other general corporate purposes, which may include the possible repayment or refinancing of outstanding indebtedness. We will have significant discretion in the use of any net proceeds. The net proceeds may be invested temporarily in interest-bearing accounts and short-term interest-bearing securities until they are used for their stated purpose. We may provide additional information on the use of the net proceeds from the sale of our securities in an applicable prospectus supplement or other offering materials relating to the offered securities.

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DESCRIPTION OF SHARES

The following description discusses the general terms of the Class A shares and preferred shares that we may issue. The prospectus supplement relating to a particular series of preferred shares will describe certain other terms of such series of preferred shares. If so indicated in the prospectus supplement relating to a particular series of preferred shares, the terms of any such series of preferred shares may differ from the terms set forth below. The following description of certain terms of our shares does not purport to be complete and is qualified in its entirety by reference to our operating agreement and the applicable provisions of the Delaware Limited Liability Company Act, or the Delaware LLC Act. For more information on how you can obtain our operating agreement, see [Where You Can Find More Information and Incorporation By Reference](#) on page 1 of this prospectus. We urge you to read our operating agreement in its entirety.

The authorized capital stock of Fortress Investment Group LLC consists of one billion Class A shares, 750 million Class B shares and 250 million preferred shares. As of September 24, 2008 there were no preferred shares outstanding. Of the one billion Class A shares authorized, 94,609,525 shares were outstanding as of September 24, 2008, and 115,000,000 Class A shares were reserved for issuance pursuant to the Fortress Investment Group LLC 2007 Omnibus Equity Compensation Plan. Of the 750 million Class B shares authorized, 312,071,550 were outstanding as of September 24, 2008.

Shares

Class A shares

Our Class A shares represent limited liability company interests in Fortress Investment Group LLC and entitle the holder thereof to such rights, powers and duties with respect to Fortress Investment Group LLC as are provided for under our operating agreement and the Delaware LLC Act, certain provisions of which are summarized in this prospectus. Upon payment in full of the consideration payable with respect to the Class A shares, as determined by our board of directors, the holders of such shares shall not be liable to us to make any additional capital contributions with respect to such shares (except as otherwise required by Sections 18-607 and 18-804 of the Delaware LLC Act). No holder of Class A shares will be entitled to preemptive, redemption or conversion rights.

Voting Rights

The holders of Class A shares are entitled to one vote per share held of record on all matters submitted to a vote of our shareholders. Generally, all matters to be voted on by our shareholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all Class A shares and Class B shares present in person or represented by proxy, voting together as a single class.

Dividend Rights

Holders of Class A shares share ratably (based on the number of Class A shares held) in any dividend declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred shares. Dividends consisting of Class A shares may be paid only as follows: (i) Class A shares may be paid only to holders of Class A shares; and (ii) shares shall be paid proportionally with respect to each outstanding Class A share.

Liquidation Rights

Upon our dissolution, liquidation or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of preferred shares having liquidation preferences, if any, the holders of our Class A shares will be entitled to receive our remaining assets available for distribution in accordance with and to the extent of positive balances in the respective capital accounts after taking into account certain adjustments.

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Other Matters

In the event of our merger or consolidation with or into another entity in connection with which our Class A shares are converted into or exchangeable for shares, other securities or property (including cash), all holders of Class A shares will thereafter be entitled to receive the same kind and amount of shares and other securities and property (including cash). Under our operating agreement, in the event of an inadvertent partnership termination in which the IRS has granted us limited relief each holder of our Class A shares also is obligated to make such adjustments as are required by the IRS to maintain our status as a partnership.

Class B shares

Our Class B shares represent limited liability company interests in Fortress Investment Group LLC and entitle the holder thereof to such rights, powers and duties with respect to Fortress Investment Group LLC as are provided for under our operating agreement and the Delaware LLC Act, certain provisions of which are summarized in this prospectus. All of the Class B shares have been duly issued and are held by our principals. No holder of Class B shares is entitled to preemptive, redemption or conversion rights.

Voting Rights

The holders of our Class B shares are entitled to one vote per share held of record on all matters submitted to a vote of our shareholders. Generally, all matters to be voted on by our shareholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all Class A shares and Class B shares present in person or represented by proxy, voting together as a single class.

Dividend Rights

Holders of our Class B shares do not have any right to receive dividends other than dividends consisting of Class B shares paid proportionally with respect to each outstanding Class B share.

Liquidation Rights

Upon our liquidation, dissolution or winding up, no holder of Class B shares will have any right to receive distributions.

Preferred shares

Our operating agreement authorizes our board of directors to establish one or more series of preferred shares representing limited liability company interests in Fortress Investment Group LLC. Unless required by law or by any stock exchange, the authorized preferred shares will be available for issuance without further action by Class A shareholders. Our board of directors is able to determine, with respect to any series of preferred shares, the holders of terms and rights of that series, including:

the designation of any series of preferred shares;

the amount of preferred shares of any series, which our board may, except where otherwise provided in the preferred shares designation, increase or decrease, but not below the number of preferred shares of the series then outstanding;

whether distributions, if any, will be cumulative or non-cumulative and the dividend rate of the series;

the dates at which distributions, if any, will be payable;

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the redemption rights and price or prices, if any, for preferred shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of the preferred shares of the series;

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the amounts payable on preferred shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the preferred shares of the series will be convertible into or exchangeable for interests of any other class (other than Class B shares) or series, or any other security, of our company or any other entity, and, if so, the specification of the other class or series or other security, the conversion or exchange price or prices or rate or rates, any rate adjustments, the date or dates on which, the period or periods during which, the shares will be convertible or exchangeable and all other terms and conditions upon which the conversion or exchange may be made;

restrictions on the issuance of preferred shares of the series or of any shares of any other class or series; and

the voting rights, if any, of the holders of the preferred shares of the series.

Miscellaneous

We could issue a series of preferred shares that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of holders of Class A shares might believe to be in their best interests or in which holders of Class A shares might receive a premium for their Class A shares over the market price of the Class A shares.

A series of preferred shares may be issued in whole or in part in the form of one or more global securities that will be deposited with a depository or its nominee identified in the related prospectus supplement. For most series of preferred shares, the depository will be The Depository Trust Company. A global security may not be transferred except as a whole to the depository, a nominee of the depository or their successors unless it is exchanged in whole or in part for preferred shares in individually certificated form. Any additional terms of the depository arrangement with respect to any series of preferred shares and the rights of and limitations on owners of beneficial interests in a global security representing a series of preferred shares may be described in the related prospectus supplement.

Listing

Our Class A shares are listed on the New York Stock Exchange under the symbol FIG.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A shares and our Class B shares is American Stock Transfer & Trust Company.

Operating Agreement

Organization and Duration

Our limited liability company was formed on November 6, 2006 as Fortress Investment Group Holdings LLC, and was subsequently renamed Fortress Investment Group LLC on February 1, 2007, and will remain in existence until dissolved in accordance with our operating agreement.

Purpose

Under our operating agreement, we are permitted to engage in any business activity that lawfully may be conducted by a limited liability company organized under Delaware law and, in connection therewith, to exercise all of the rights and powers conferred upon us pursuant to the agreements relating to such business activity; *provided, however*, that, except if our board of directors determines that it is no longer in our best interests, our management shall not cause us to engage, directly or indirectly, in any business activity that our board of directors determines would cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes.

Table of Contents**Relationship with Fortress Operating Group Entities**

Under our operating agreement, we must receive the consent of the principals (who own a majority of our Class B shares) before engaging in the following actions:

- (i) directly or indirectly entering into or conducting any business or holding any assets other than (a) business conducted and assets held by the Fortress Operating Group and its subsidiaries, (b) ownership, acquisition and disposition of equity interests in our subsidiaries, (c) the management of the business of the Fortress Operating Group, (d) making loans and incurring indebtedness that is otherwise not prohibited under our operating agreement, (e) the offering, sale, syndication, private placement or public offering of securities or other interests in compliance with our operating agreement, (f) any financing or refinancing related to the Fortress Operating Group and its subsidiaries, (g) any activity or transaction contemplated by the Investor Shareholder Agreement, the Shareholders Agreement or the Exchange Agreement, and (h) any activities incidental to the foregoing;
- (ii) incurring or guaranteeing any indebtedness other than that incurred in connection with an exchange under the Exchange Agreement and indebtedness to the company or any of its subsidiaries;

	Present principal occupation or employment	Citizenship			
Hoek, Nicolaas Willem	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Executive Director	Executive Director	The Netherlands
Kok, Petrus Jacobus Wilhelmus Gerardus	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Executive Director	Executive Director	The Netherlands
Medendorp, Paul Kerst	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Executive Director	Executive Director	Germany
Raué, Hendrik Herman	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Executive Director	Executive Director	The Netherlands
Holsboer, Jan Hendrik	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Supervisory Board Director	Supervisory Board Director	The Netherlands
Kottman, René Herman Philip Willem	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Supervisory Board Director	Supervisory Board Director	The Netherlands
Smits, Marcellinus Hermanus Maria	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Supervisory Board Director	Supervisory Board Director	The Netherlands
Boumeester, Pamela Gertrude	Amstelplein 6, 1096 BC Amsterdam, The Netherlands		Supervisory Board Director	Supervisory Board Director	The Netherlands

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Haars, Jan Gerard	Amstelplein 6, 1096 BC Amsterdam, The Netherlands	Supervisory Board Director	Supervisory Board Director	The Netherlands
Fischer, Eric Jacob	Amstelplein 6, 1096 BC Amsterdam, The Netherlands	Supervisory Board Director	Supervisory Board Director	The Netherlands
Moss, Andrew John	Amstelplein 6, 1096 BC Amsterdam, The Netherlands	Supervisory Board Director	Supervisory Board Director	United Kingdom
Scott, Philip Gordon	Amstelplein 6, 1096 BC Amsterdam, The Netherlands	Supervisory Board Director	Supervisory Board Director	United Kingdom

SCHEDULE II

All of the Shares of the Company sold as described in the table below were sold by Cyrte Investments GP III B.V. in open market transactions.

Vivo Participacoes

transactions in the past 60 days

transaction date	# shares	price per share
May 4, 2009	-490,100	17.0162
May 5, 2009	-218,900	17.0661
May 20, 2009	-797,230	19.4620
May 21, 2009	-327,770	18.1173
May 29, 2009	-500,000	19.9179
July 9, 2009	-100,000	18.8285
July 10, 2009	-100,000	18.9000
July 13, 2009	-100,000	19.1372
