Fortress Investment Group LLC
Form 8-K
November 09, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 9, 2010 (November 8, 2010)

Fortress Investment Group LLC

(Exact name of registrant as specified in its charter)

Delaware	**001-33294**	**20-5837959**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

1345 Avenue of the Americas, 46th Floor

New York, New York **10105**
(Address of principal executive offices) **(Zip Code)**
Registrant s telephone number, including area code (212) 798-6100

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On November 8, 2010, certain private equity funds managed by an affiliate of Fortress Investment Group LLC (the Company) sold 10,060,936 shares of common stock of Brookdale Senior Living Inc. (Brookdale) (NYSE: BKD) at a price of $18.76 per share pursuant to an underwritten public offering. We currently estimate that the Company will earn approximately $20 million in net incentive income (after adjusting for related profit sharing compensation) for distributable earnings purposes upon the closing of the sale and the receipt of the related net proceeds by the Fortress funds. The sale is expected to close on November 12, 2010, subject to customary closing conditions.

Upon completion of this sale, certain affiliates of Fortress will beneficially own approximately 16.7% of Brookdale s common stock.

This Current Report is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any of the Company s filings under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly set forth as being incorporated by reference into such filing. This Current Report shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

Cautionary Note Regarding Forward-Looking Statements Certain statements in this Current Report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the expected closing of the sale of Brookdale common stock and the amount of incentive income that will be earned by the Company upon the closing of the sale. These statements are not historical facts, but instead represent only the Company s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company s control. It is possible that actual events could differ from these forward-looking statements, and any such differences could cause our actual results to differ materially from the results expressed or implied by these forward-looking statements. Numerous factors could cause actual events to differ from these forward-looking statements, including, but not limited to, changes in the Company s reserve policy or in the application thereof and the NAV of assets in certain related Fortress funds. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in the Company s Quarterly Report on Form 10-Q, which is available on the Company s website (www.fortress.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking statements contained in this Current Report. The Company can give no assurance that the expectations of any forward-looking statement will be obtained. Such forward-looking statements speak only as of the date of this Current Report. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company s expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORTRESS INVESTMENT GROUP LLC
(Registrant)

/s/ David N. Brooks
David N. Brooks
General Counsel

Date: November 9, 2010

DIV>

TOTAL DEDUCTIONS
1,169,908

NET INCREASE
3,897,361
NET ASSETS BEGINNING OF YEAR
7,589,526

NET ASSETS END OF YEAR
$11,486,887

The accompanying notes are an integral part of the financial statements

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Levitt Corporation Security Plus Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

NOTE 1 PLAN DESCRIPTION

The following description of Levitt Corporation Security Plus Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan s provisions.

The Plan was established effective January 1, 2004 and is a defined contribution plan covering all employees, excluding certain employees whose employment is governed by the terms of a collective bargaining agreement and non-resident aliens, of Levitt Corporation, Bowden Building Corporation, Core Communities, LLC, Levitt and Sons, LLC, and St. Lucie West Development Company, LLC (collectively the Company), who have completed 3 months of service, as defined by the Plan, and are age 18 or older. Effective December 1, 2005, Reliance Trust Company and Metropolitan Life Insurance Company were terminated as trustee and recordkeeper, respectively, at the direction of the Plan sponsor and ING National Trust was appointed as trustee and ING Life Insurance and Annuity Company was appointed as recordkeeper. The following description of the Plan provides general information only. Readers should refer to the Plan document for more complete information.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company is the plan administrator.

Contributions

Each year, participants may contribute a percentage of their pre-tax annual compensation, as defined in the Plan. The Company currently makes safe harbor matching contributions to the account of each eligible participant in an amount equal to the sum of 100% of the amount of the participant s elective deferrals that do not exceed 3% of the participant s compensation, plus 50% of the amount of the participant s elective deferrals that exceed 3% of the participant s compensation but do not exceed 5% of the participant s compensation. The Company may also make additional discretionary matching or profit sharing contributions to the Plan each year. No additional discretionary matching and profit sharing contributions were made during the years ended December 31, 2006 and 2005.

Participant Accounts

Each participant s account is credited with the participant s contributions and an allocation of the employer s contribution, interest earned, administrative expenses related to loan origination and investment gains and losses. Allocations of Plan earnings are based on participant account balances, which are individually directed among the Plan s investment options.

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Forfeited Accounts

Forfeited balances of participants non-vested accounts are periodically used to reduce future Company contributions. There were approximately $10,046 of unallocated forfeitures as of December 31, 2006. The Company will use this amount in 2007 to reduce future Company contributions.

Vesting

Participants are immediately vested in their own contributions, rollover contributions and allocated safe harbor contributions, plus any earnings thereon.

The vesting schedule with respect to other discretionary employer matching and profit sharing contributions is as follows:

Years of Service	Percentage Vested
1	20%
2	40%
3	60%
4	80%
5	100%

If a participant dies while employed, the beneficiary is entitled to 100% of the participant s account balance, to be paid in lump-sum. If the participant becomes disabled while employed, the participant is also entitled to 100% of the vested account balance which is payable upon the participant s request in a lump sum. (See Payment of Benefits below).

Participant Loans

Participants may borrow from their fund accounts a maximum of the lesser of $50,000 or 50% of the participant s vested account balance. Loans bear a reasonable rate of interest with terms that may not exceed five years, unless made to purchase a primary residence. Loan principal and interest must be repaid in equal installments via payroll deduction. No loan may be granted to any participant having a loan currently outstanding from the Plan.

Payment of Benefits

Participants vested balances from all accounts are eligible for distribution upon death, disability or normal retirement. Distribution will be made in a lump sum. On termination of service, if the participant s vested account balance does not exceed $1,000, the participant will receive the vested amount in a single sum payment as soon as reasonably possible following termination. If the participant s vested account balance is greater than $1,000 (but less than $5,000) and if the participant does not elect to have the vested amount paid directly to the participant, or rolled over to an individual retirement account (IRA) or another employer s plan, the Plan administrator will roll over the distribution to an IRA chosen by the Plan administrator. All other terminated participants may delay receiving benefits until attainment of age $70^1/2$.

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Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination of the Plan or complete discontinuance of contributions, all participants accounts become 100% vested. Upon such termination of the Plan, the Plan administrator will direct complete distribution of the assets of the Plan to the participants, in cash.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan are presented on the accrual basis of accounting.

Investment Valuation and Income Recognition

Except for the ING Fixed Account 15S, the Plan s investments are stated at fair value (see Note 3). The fair value of the participation units owned by the Plan in registered investment companies is based on quoted redemption values on the last business day of the Plan year. These investments are held in pooled separate accounts at ING. The participant loans are valued at their outstanding balances, which approximate fair value.

Investment contracts held in the ING Fixed Account 15S are recorded at their contract values, which represent contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. For example, participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. However, excess withdrawals, i.e., more than 20% of the value of the contract in one year, or surrender of the entire contract, may result in a distribution at other than contract value. There are no reserves against contract values for credit risk of contract issuers or otherwise.

At December 31, 2006, the ING Fixed Account 15S was recorded at contract value which approximates fair value. The yield and crediting interest rate of the ING Fixed Account 15S is adjusted annually but may not go below 3%. The yield and crediting interest rate of the ING Fixed Account 15S was 3% at December 31, 2006 and 2005.

Payment of Benefits

Benefits are recorded when paid. As of December 31, 2006, there were no amounts allocated to the accounts of individuals who have elected to withdraw from the Plan but had not yet been paid.

Net Appreciation in Fair Value of Investments

The Plan presents, in the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments, which includes unrealized appreciation and depreciation on those investments.

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Administrative and Investment Expenses

The majority of administrative expenses of the Plan are paid directly by the Company and are not included in the accompanying financial statements. The administrative expenses included in the financial statements relate to loan and withdrawal processing fees. In addition, certain investment expenses are netted against the appreciation (depreciation) of the fair value of investments.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, investment income and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Credit Risk

The Plan s investments are not insured or protected by the Plan s Custodians, the Company, the Pension Benefit Guarantee Corporation, or any other governmental agency; accordingly, the Plan is subject to the normal investment risks associated with similar investments.

New Accounting Pronouncements

As of December 31, 2006, the Plan adopted Financial Accounting Standards Board (FASB) Staff Position FSP AAG INV-1 and Statement of Position No. 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP). The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis for the fully benefit-responsive investment contracts. The FSP was applied retroactively to the prior period presented on the Statement of Net Assets Available for Benefits as of December 31, 2005. The FSP requires, among other things, the disclosure of the fair value of the Plan s investments in fully benefit-responsive investment contracts.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157 (SFAS 157), Fair Value Measurements. SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company does not believe the adoption of SFAS 157 will have a material impact on the financial statements.

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NOTE 3 INVESTMENTS

The fair value of individual investments that represent 5% or more of the Plan s net assets at December 31, 2005 and 2006 is as follows:

	December 31, 2005	December 31 2006
ING Fixed Account 15S	$ 1,350,428	$ 1,544,566
American Funds Growth Fund of America Fund	$ 1,204,536	$ 1,595,504
Vanguard Funds VVIF Diversified Value Portfolio	$ 794,562	$ 1,178,526
Levitt Corporation Class A Common Stock Fund	$ 772,356	$ 464,885*
American Funds The Income Fund of America	$ 752,379	$ 942,649
ING VP IndexPlus Small Cap Portfolio	$ 538,407	$ 700,543
Baron Funds Baron Asset Fund	$ 471,958	$ 704,376
American Funds EuroPacific Growth Fund	$ 402,660	$ 767,396

* amount is included for comparative purposes only. Does not represent an investment over 5% of net assets at December 31, 2006.

During 2006, the Plan s investments appreciated(depreciated) as follows:

Pooled separate accounts mutual funds	$ 939,382
Levitt Corporation Class A Common Stock	(385,288)
Total	$ 554,094

NOTE 4 INCOME TAX STATUS

The Plan is designed to be a qualified trust under Section 401(a) of the Internal Revenue Code (IRC) and is subject to the provisions of ERISA. The Plan has adopted a prototype plan prepared and maintained by ING Life Insurance and Annuity Company. The prototype plan received a favorable opinion letter dated November 7, 2001 from the Internal Revenue Service. The Plan administrator believes that the adopted and amended Plan continues to qualify and will remain exempt from federal income taxes under Section 401(a).

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NOTE 5 DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2005	2006
Net assets available for benefits per the financial statements	$ 7,589,526	$ 11,486,887
Less: contributions receivable at December 31, 2005 and 2006	(102,493)	(163,588)
Net assets available for benefits per Form 5500	$ 7,487,033	$ 11,323,299

The following is a reconciliation of changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2006:

Net increase per financial statements	$ 3,897,361
Less: contributions receivable at December 31, 2006	(163,588)
Add: contributions receivable at December 31, 2005	102,493
Net increase per Form 5500	$ 3,836,266

NOTE 6 RELATED PARTY TRANSACTIONS

Certain Plan assets are invested in shares of common stock of Levitt Corporation, the Plan sponsor, through the Levitt Corporation Class A Common Stock Fund (the Stock Fund). The Stock Fund held shares of Levitt Corporation Class A common stock at December 31, 2006, representing $464,885 of net assets available for plan benefits. The value of this Fund is calculated on the last trading day of the calendar month using the closing price of the shares on the New York Stock Exchange at that date.

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SUPPLEMENTAL SCHEDULE
LEVITT CORPORATION SECURITY PLUS PLAN
FORM 5500 SCHEDULE H, LINE 4(i)
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 11-3675068
Plan Number: 001
December 31, 2006

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Current Value
	Baron Funds	Baron Asset Fund	704,376
	The American Funds Group	EuroPacific Growth Fund	767,396
	The American Funds Group	New Perspective Fund	496,121
	The American Funds Group	The Growth Fund of America	1,595,504
	The American Funds Group	The Income Fund of America	942,649
	Fidelity Funds	Fidelity VIP Contrafund Port-1	280,822
*	ING Life Insurance and Annuity Co	ING Fixed Account 15S	1,544,566
*	ING Life Insurance and Annuity Co	ING Index Plus Large Cap Fund	256,258
*	ING Life Insurance and Annuity Co	ING PIMCO Total Return Portfolio	426,134
*	ING Life Insurance and Annuity Co	ING VP IndexPlus Small Cap Portfolio	700,543
*	ING Life Insurance and Annuity Co	ING VP Intermediate Bond Portfolio	308,011
*	ING Life Insurance and Annuity Co	ING VP IndexPlus MediumCap Portfolio	163,967
*	ING Life Insurance and Annuity Co	ING Solution Income Portfolio Service	25,557
*	ING Life Insurance and Annuity Co	ING Aeltus Money Market Fund	6,522
*	ING Life Insurance and Annuity Co	ING Solution 2015 Portfolio Service	284,297
*	ING Life Insurance and Annuity Co	ING Solution 2025 Portfolio Service	263,474
*	ING Life Insurance and Annuity Co	ING Solution 2035 Portfolio Service	259,685
*	ING Life Insurance and Annuity Co	ING Solution 2045 Portfolio Service	74,306
	Pioneer Funds	Pioneer Mid Cap Value VCT	94,755
	The Vanguard Group	VVIF Diversified Value Portfolio	1,178,526
	The Vanguard Group	VVIF Small Company Growth Portfolio	292,101
*	Employer Stock		464,885

		Levitt Corporation Class A common stock fund	
*	Participant Loans	Participant Loans (rates range from 8.25% 9.25%)	192,844

**Denotes Party-in-interest*

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See Report of Independent Registered Public Accounting Firm

Exhibit	**Description**
23.1	**Consent of Independent Registered Public Accounting Firm**

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan Administrator has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEVITT CORPORATION SECURITY PLUS PLAN

By: /s/ GEORGE P. SCANLON
George P. Scanlon
Executive Vice President and Chief Financial
Officer of Levitt Corporation and Chairman of the Security Plus Plan Committee

Dated: June 28, 2007

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