

Fortress Investment Group LLC
 Form 4
 July 21, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 MUDD DANIEL H

2. Issuer Name and Ticker or Trading Symbol
 Fortress Investment Group LLC
 [FIG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)

Director 10% Owner
 Officer (give title below) Other (specify below)

3900 WISCONSIN AVENUE, NW

07/19/2009

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

WASHINGTON, DC 20016

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Class A Shares	07/19/2009		A	0 ⁽¹⁾	A	\$ 0 ⁽¹⁾	22,216 ⁽²⁾	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Share Units	\$ 0	07/19/2009		J(3)	7,243,577	(3)	(3)	Class A Shares (4)	7,243,577

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUDD DANIEL H 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016		X		

Signatures

/s/ David N. Brooks, as
Attorney-in-fact

07/21/2009

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) As described in the Employment Offer Letter, dated July 19, 2009, between FIG LLC and Daniel H. Mudd, Mr. Mudd will be granted \$500,000 in value of restricted Class A Shares (the "2009 Equity Grant") of Fortress Investment Group LLC ("Fortress"), which will vest on January 1, 2010, subject to his continued employment on the vesting date. The 2009 Equity Grant will be priced based upon the average closing price of Class A Shares of Fortress over the 30 trading day period preceding January 1, 2010.

(2) The number of shares indicated does not include the 2009 Equity Grant described above.

(3) The Restricted Share Units vest and restrictions will lapse in eight equal annual installments beginning August 11, 2010. Fifty percent (50%) of the Restricted Share Units will be dividend-paying and fifty percent (50%) will not be dividend-paying. The fifty percent (50%) of the Restricted Share Units that is not dividend-paying will become dividend-paying upon vesting.

(4) Each Restricted Share Unit represents a contingent right to receive one Class A Share of Fortress.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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