

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 90483 / November 23, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19715**

---

**In the Matter of** :

**Fortress Investment Management, LLC** :  
**and William M. Malloy, III,** :

**Respondents.** :

---

**NOTICE OF PROPOSED PLAN  
OF DISTRIBUTION AND  
OPPORTUNITY FOR  
COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United State Securities and Exchange Commission’s (“Commission”) Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Plan”) for the distribution of monies paid in the above-captioned matter.

On February 27, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)<sup>1</sup> against Fortress Investment Management, LLC and William M. Malloy (collectively, the “Respondents”). The Commission ordered the Respondents to pay \$154,097 in disgorgement, prejudgment interest, and a civil money penalties to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties, along with the disgorgement and interest, paid can be distributed to harmed investors (the “Fair Fund”).

The Respondents have paid the full amount of \$154,097 pursuant to the Order, which constitutes the Fair Fund. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited in an interest-bearing account at the United States Department of the Treasury’s Bureau of Fiscal Service (“BFS”).

---

<sup>1</sup> Advisers Act Rel. No. 5452 (Feb. 27, 2020).

## OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Noel Gittens, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-19715" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

## THE PLAN

The Net Available Fair Fund<sup>2</sup> is comprised of the \$154,097 paid by the Respondents pursuant to the Order, plus interest and income earned thereon, minus all taxes, fees, and other expenses of distributing the Net Available Fair Fund to investors who were harmed by the conduct described in the Order. The Plan proposes to distribute the Net Available Fair Fund to compensate each Eligible Investor for the management Fees Paid, plus Interest, in addition to a *pro rata* distribution based on each Eligible Investor's Investment Loss.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

---

<sup>2</sup> All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.