DoubleLine

Statement from DoubleLine Capital LP and Jeffrey Gundlach

Los Angeles, CA (December 8, 2010) – It has been over a year since Jeffrey Gundlach was wrongfully terminated by TCW. During that time, Mr. Gundlach focused on building a premier investment advisory firm, DoubleLine Capital. The results speak for themselves: DoubleLine has delivered stellar returns for its investors within a rigorous framework of risk management while attracting $7 billion in client assets and commitments.

In contrast, TCW over the past year fired Mr. Gundlach, their award-winning portfolio manager and chief investment officer, lost the mandate to manage $4.4 billion in Public-Private Investment Program funds and experienced tens of billions of dollars in outflows. To conceal their bad business decisions and interfere with Mr. Gundlach's business, TCW has engaged in a series of bad acts against DoubleLine and its employees, including a meritless lawsuit filed in January 2010 and the subsequent, largely redundant lawsuit filed earlier this month.

The litigation brought by TCW has not been going in its favor. The heart of TCW's case is the claim that DoubleLine owes its success to the theft of trade secrets from TCW. Mr. Gundlach issued the following statement: "Our superior investment results relative to those generated by TCW this year are *a priori* proof of the false nature of TCW's claim. I challenge TCW to publicly identify a single alleged 'trade secret' that DoubleLine is using. Based on what TCW has produced at court, such an attempt should provide significant comedy and be the object of derision at every trading desk in America."

TCW is now resorting to making defamatory statements to the press blatantly mischaracterizing the facts regarding an inquiry by the U.S. Attorney's Office and Special Inspector General, Troubled Asset Relief Program (SIG TARP). DoubleLine has and will continue to cooperate fully with the government's inquiry. For our part, we believe that a full investigation of the facts and circumstances surrounding TCW's winning of the PPIP mandate and its subsequent collapse is merited.

In 2008, Société Générale, the parent company of TCW, received $11.9 billion from the U.S. government, making the French bank one of largest recipients of U.S. taxpayer-funded bailout money in the collapse of AIG. The following year, TCW, the Société Générale subsidiary, applied for and in July was awarded a mandate by the U.S. government to manage $4.4 billion in PPIP funds. In order to win the coveted mandate, TCW represented to the government that Jeffrey Gundlach would serve as key person on the TCW team managing the PPIP fund. TCW did not disclose that TCW's senior management was already planning to remove Mr. Gundlach from his duties at TCW and replace him with another manager.

Still relying on the representations of TCW's senior management that Mr. Gundlach would serve as key person, in September and November of 2009, the U.S. Treasury funded the TCW-managed PPIP fund. Between those two closings, TCW sought and received Société Générale's approval to terminate Mr. Gundlach and acquire his replacement, Metropolitan West. The original planned date of termination was postponed by TCW until after the second PPIP closing.

On December 4, 2009, TCW terminated Mr. Gundlach and announced the acquisition of Metropolitan West. However, TCW failed to anticipate that firing Mr. Gundlach would also result in a mass exodus of key investment personnel who were loyal to Mr. Gundlach, including the vast majority of the mortgage-backed securities team who were managing the PPIP fund. The U.S. Treasury responded by freezing the TCW PPIP fund and exercised the key person provision of its management agreement with TCW to recover the taxpayer dollars invested in the TCW PPIP fund.

DoubleLine has presented extensive evidence showing that, while TCW management was using the reputation and performance of Mr. Gundlach and his team to lure the government into awarding TCW the PPIP mandate (and thus the opportunity to earn lucrative fees managing those funds), TCW was also secretly planning to terminate Mr. Gundlach. TCW wasted months of the government's time and effort by failing to disclose their long standing plans to terminate Mr. Gundlach.

In recent press statements, TCW's representatives claim that TCW is "the victim". DoubleLine believes that the real victims are the U.S. taxpayers who were promised Jeffrey Gundlach as the key man to manage their funds while TCW was conspiring for months to fire Jeffrey and replace him with a manager that they did not want.

About DoubleLine Capital LP

DoubleLine Capital LP is a fixed income investment management firm and a registered investment adviser under the Investment Advisers Act of 1940. The firm is majority employee-owned with CEO Jeffrey Gundlach and President Philip Barach holding a combined controlling interest in the firm. DoubleLine's headquarters is in Los Angeles, CA. Its offices can be reached by telephone at (213) 633-8200 or by e-mail at info@doubleline.com.

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