

Dear Friends of DoubleLine:

I am writing to address briefly the business dispute between Trust Company of the West and my new firm, DoubleLine Capital LP. As has been widely reported in the press, TCW filed suit last week against DoubleLine, me and some of my trusted colleagues. I have referred TCW's unfortunate litigation tactics to my legal team and expect this matter to be handled as a business dispute in the ordinary course. My portfolio management and trading teams and I continue to focus on the work of building DoubleLine and managing our clients' accounts. We are dedicated to the well being of our clients and to delivering on our promise to treat our clients' precious capital as our own.

DoubleLine has made remarkable progress in the past few weeks. We have in place our seasoned Mortgage, Corporate, Emerging Markets and Core Fixed Income teams; the Securities and Exchange Commission has approved our application to become a registered Investment Adviser; we have occupied our new permanent office and trading space in downtown Los Angeles; and we have established separate accounts on behalf of our initial clients. We look forward to sharing further news of our progress in the days and weeks ahead.

While I am resolved not to let TCW distract me or my team, TCW has disseminated certain smears and innuendoes that I am unwilling to let pass without at least a brief comment.

First of all, I was a loyal and extraordinarily productive employee of TCW for over 24 years. I have very good feelings toward many of the people with whom I worked there. And I am proud of the significant contributions by my teams and myself to the historic success of TCW.

In January 2009, TCW's parent, Société Générale, publicly announced that it was no longer interested in being in the money management business in a meaningful way. Soc Gen has since wound down direct involvement in its primary money management arm and discussed plans for an IPO or other paths of divestiture of TCW sometime before 2014. I became deeply concerned about the extended period of uncertainty: how would the divestment of TCW occur? How would that uncertainty affect me, my colleagues, the business and our clients? I know that other senior managers at TCW shared the same concerns at the time and do so to this day.

In response, in my last few months at TCW, I explored avenues to purchase the business, overtures that were rebuffed. Although I had begun to consider other options, I fully expected up until my dismissal on December 4 that, if I left TCW, I would do so in a negotiated transaction that was accommodative to clients as well as mutually beneficial for TCW and myself. It is unfortunate that TCW elected to take another route.

A second deeply disturbing element of TCW's actions has been its invasion and searching of locked drawers in my office at TCW's headquarters in downtown Los Angeles and of a small personal office I kept in Santa Monica. I personally paid the rent and all other expenses for the operation of this office. After seizing these offices, TCW refused to allow me to collect my personal possessions, and the salacious disclosure in TCW's lawsuit of certain of the items apparently taken there from is a transparent attempt to embarrass me and harm my business. While these actions will no doubt be subjects of litigation, suffice it to say that I had every expectation of privacy in these spaces, which stored vestiges of closed chapters of my life.

Notwithstanding TCW's scorched earth legal policy, I am certain that no employee of TCW, past or present, friend or foe, can honestly say that they ever had any experience with me, either in the office, on the road or in any meeting, in which there was any improper activity consistent with the innuendoes, smears and gross distortions to which TCW has shamelessly subjected me in its lawsuit.

I assure you that I remain the worthy fiduciary in whom you have entrusted your investments over many years. Together with my team, I navigated the treacherous credit crisis markets and protected and grew your principal while others failed. I believe that we at DoubleLine have earned your trust, and hope that you will continue to permit us to protect and make money for you and with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Gundlach", with a long horizontal flourish extending to the right.

Jeffrey Gundlach

Chief Executive Officer
DoubleLine Capital LP