

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN THE STATEMENTS FILED PURSUANT TO
RULES 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 2)

Newcastle Investment Corp.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

65105M 10 8

(CUSIP Number)

Randal A. Nardone
Secretary
Fortress Principal Investment Holdings LLC
c/o Fortress Investment Group LLC
1251 Avenue of the Americas
New York, New York 10020

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

Copy to:

J. Gregory Milmoie
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
(212) 735-3000

July 10, 2003

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [].

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act.

(Continued on following pages)

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Schedule 13D

- 1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Fortress Principal Investment Holdings LLC (13-4008836)
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
Not Applicable (b) []
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
Not Applicable
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 3,037,522 -
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER - 3,037,522 -
	10	SHARED DISPOSITIVE POWER - 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
- 3,037,522 -

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []
Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 10.7% (Based on
28,377,390 shares of common stock of the issuer outstanding as of July
16, 2003 (after the closing of the Offering described below) and including
shares of common stock of the issuer issuable upon exercise of options
held by the reporting person which are exercisable as of or within 60
days)

14 TYPE OF REPORTING PERSON
OO

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This Amendment No. 2 (this "Amendment") to the Statement on Schedule 13D dated July 10, 2003, as amended by Amendment No. 1 thereto dated May 27, 2003 (as so amended, the "Schedule 13D") filed jointly by Fortress Principal Investment Holdings LLC, a Delaware limited liability company ("FPIH"), and Newcastle Investment Holdings Corp., a Maryland corporation ("NIH"), relates to the common stock, par value \$0.01 per share, of Newcastle Investment Corp., a Maryland corporation. This Amendment is filed by FPIH. As set forth in Amendment No. 1 to the Schedule 13D, NIH disposed of all of the shares of Common Stock beneficially owned by NIH and, as a result, NIH is no longer a party to this filing. All capitalized terms used but not defined herein have the meanings ascribed to them in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended and supplemented to add the following:

On July 10, 2003, in connection with an underwritten public offering of Common Stock by the Issuer (the "Offering"), the Board of Directors of the Issuer granted to FPIH an option to purchase 460,000 shares of Common Stock, representing 10% of the number of shares sold in the Offering, at a per share exercise price equal to the offering price per share of the shares of Common Stock sold in the Offering (\$20.35 per share). The grant, a discretionary grant under the Issuer's incentive plan, was made in connection with the efforts of the Issuer's external manager related to the Offering and provides a means of performance-based compensation to give an additional incentive for the Issuer's manager to enhance the value of the Common Stock. The option vested on the date of grant, effective upon consummation of the Offering, and is exercisable in thirty equal monthly installments on the first day of each of the 30 calendar months following the date of grant (beginning August 1, 2003).

Item 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is hereby amended and supplemented to add the following:

FPIH may be deemed to be the beneficial owner of 2,750,189 shares of Common Stock which it directly owns. In addition, FPIH may be deemed to be the beneficial owner of an aggregate of 287,334 shares of Common Stock issuable upon exercise of options that are exercisable as of or within sixty days of July 10, 2003. As a result, as of July 16, 2003 (the closing date of the Offering), FPIH may be deemed to be the beneficial owner of 3,037,522 shares of Common Stock, or 10.7% of the total number of shares of Common Stock then outstanding (based on 28,377,390 shares of Common Stock of the Issuer outstanding as of July 16, 2003 (after the closing of the Offering), including shares of Common Stock issuable upon exercise of options held by FPIH, the reporting person, which are exercisable as of or within 60 days). Based on the

foregoing, FPIH may be deemed to have sole power to vote or direct the vote and to dispose of or to direct the disposition of an aggregate of 3,037,522 shares of Common Stock.

Item 7. Materials to be Filed as Exhibits.

Exhibit 99.1 Nonqualified Stock Option Agreement, dated as
 of July 10, 2003 (filed herewith)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 10, 2003

FORTRESS PRINCIPAL INVESTMENT HOLDINGS LLC

By: /s/ Randal A. Nardone

Name: Randal A. Nardone
Title: Secretary

OPTION GRANT

NONQUALIFIED STOCK OPTION AGREEMENT

This NONQUALIFIED STOCK OPTION AGREEMENT (this "Agreement"), is entered into this 10TH day of July, 2003, by and between NEWCASTLE INVESTMENT CORP., a Maryland corporation (the "Company"), and FORTRESS PRINCIPAL INVESTMENT HOLDINGS LLC, a Delaware limited liability company and an affiliate of the Manager of the Company (the "Optionee").

Pursuant to the Newcastle Investment Corp. Nonqualified Stock Option and Incentive Award Plan (the "Plan"), the Optionee is hereby granted, on the terms and conditions set forth herein (and subject to the terms and provisions of the Plan), a nonqualified stock option (an "Option") to purchase shares of the Company's common stock. It is intended that the Option constitute a "nonqualified stock option" and not an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

TERMS AND CONDITIONS OF THE OPTION

1. NUMBER OF SHARES AND OPTION PRICE. The Option entitles the Optionee to purchase 460,000 shares (the "Option Shares") at a per share exercise price of \$20.35 (the "Option Price") of the Company's common stock, par value \$.01 per share (the "Common Stock"), subject to adjustment as set forth in the Plan. The number of Option Shares assumes the full exercise by the underwriters of the Company's publicly registered common stock offering expected to close on July 16, 2003, of their 15% "over-allotment" option; in the event that such underwriters fail to exercise such over-allotment option, the number of Option Shares shall be 400,000 plus 10% of the number of shares, if any, in respect of which such over-allotment option is exercised.

2. PERIOD OF OPTION. This Agreement and the terms of the Option hereunder shall commence on the date hereof (the "Date of Grant") and, unless previously terminated pursuant to this Agreement, the Option shall terminate upon the expiration of ten (10) years from such Date of Grant. Upon the termination of the Option all rights of the Optionee hereunder, with respect to the Option, shall cease.

3. CONDITIONS OF EXERCISE. Subject to the provisions of the Plan and this Agreement, the Option shall be fully vested at all times and shall become exercisable as to 1/30th of the shares of Common Stock subject to the Option on the first calendar day of each of the 30 months following the Date of Grant.

4. EXERCISE OF OPTION. The Option shall be exercised in the following manner: the Optionee (or any subsequent party or parties having the right to exercise the Option), shall deliver to the Company written notice specifying the number of Option Shares to be purchased, together with either (a) cash in an amount equal to the Option Price, (b) the number of shares of Common Stock having a Fair Market Value (as of the date of exercise) equal to the Option Price, or (c) any combination of cash or shares of Common Stock, the sum of which equals the Option Price, and the Option Shares purchased shall thereupon be promptly delivered. In addition, the Optionee (or such other party) shall be entitled to exercise the Option in any other manner permitted under the Plan and approved by the Committee. The Optionee will not be deemed to be a holder of any Option Shares until the date of the issuance of a stock certificate to it for such shares and until such shares are paid for in full.

5. DISPOSITION OF OPTION SHARES. Subject to the terms of this Agreement and the Plan, the Option and the Common Stock acquired in connection with the exercise of the Option shall be freely transferable by the Optionee, to the extent not prohibited by applicable laws.

6. CHANGE IN CONTROL PROVISIONS. Notwithstanding anything herein to the contrary, the Option and any Tandem Awards granted prior to a Change in Control shall become immediately and fully vested and exercisable upon a Change in Control in accordance with the provisions of the Plan. For purposes of this award, a Change in Control shall be deemed to have occurred upon the occurrence of one or more of the events set forth in the Plan, as amended and restated effective June 23, 2003, or if Wesley R. Edens ceases to be a member of the Board of Directors of the Company.

7. NOTICES. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Optionee either at his address set forth below or such other address as he or she may designate in writing to the Company, or to the Company: 1285 Avenue of

the Americas, 16th Floor, New York, New York 10020, Attention: Randal A. Nardone (or his designee), at the Company's address or such other address as the Company may designate in writing to the Optionee.

8. FAILURE TO ENFORCE NOT A WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. GOVERNING LAW. This Agreement shall be governed by and construed according to the laws of the State of Maryland without regard to its principles of conflict of laws.

10. INCORPORATION OF PLAN. The Plan is hereby incorporated by reference and made a part hereof, and the Options and this Agreement are subject to all of the terms and conditions of the Plan.

11. AMENDMENTS. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto.

12. RIGHTS AS A STOCKHOLDER. Neither the Optionee nor any successor in interest shall have rights as a stockholder of the Company with respect to any of the Option Shares until the date of issuance of a stock certificate for such Option Shares.

13. AGREEMENT NOT A CONTRACT OF EMPLOYMENT. Neither the Plan, the granting of any Option, this Option Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Optionee has a right to continue its service to the Company for any period of time at any specific rate of compensation.

14. AUTHORITY OF THE COMMITTEE. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive.

Signatures on Following Page

IN WITNESS WHEREOF, the parties have executed this Agreement on this 10th day of July, 2003.

NEWCASTLE INVESTMENT CORP.

By: /s/ Randal A. Nardone

Its: Secretary

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Agreement and to all the terms and provisions of the Plan herein incorporated by reference.

FORTRESS PRINCIPAL INVESTMENT HOLDINGS LLC

By: /s/ Randal A. Nardone

Its: Secretary

NOTICE OF EXERCISE

_____, 20 ____

Newcastle Investment Corp.
1285 Avenue of the Americas, 16th Floor
New York, New York 10020
Attention: Randal A. Nardone

Gentlemen:

On July 10th, 2003, Fortress Principal Investment Holdings LLC, an affiliate of the Manager (the "Optionee") was granted an Option by Newcastle Investment Corp. (the "Company") under the Company's Nonqualified Stock Option and Incentive Award Plan (the "Plan") and a stock option agreement, between the Optionee and the Company, dated as of July 10th, 2003 (the "Agreement"). This letter is to notify you that the Optionee wishes to purchase Option Shares under the Agreement as set forth below.

EXERCISE OF STOCK OPTION(S)

1. The Optionee wishes to purchase _____ Option Shares at the current exercise price of \$ _____ per share for a total cost of \$ _____, which Option is not encumbered to a Tandem Option.

2. The Optionee is paying for these Option Shares as follows:

____ By enclosing cash and/or a certified or cashier's check payable to the Company in the amount of \$ _____.

____ By enclosing a stock certificate duly endorsed for transfer or accompanied by an appropriately executed stock power in favor of the Company, representing _____ shares of Stock.

3. In exercising its Option the Optionee hereby warrants and represents to the Company that the Optionee acknowledges that the Company has no obligation to issue a certificate evidencing any Option Shares purchasable by the Optionee until the purchase price of such Option Shares is fully paid as set forth in the Option Agreement.

Very truly yours,

Fortress Principal Investment Holdings LLC

By: _____
Its: _____