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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): November 12, 2014 (November 6, 2014)

Newcastle Investment Corp.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or other jurisdiction
of incorporation)

001-31458
(Commission
File Number)

81-0559116
(I.R.S. Employer
Identification Number)

**1345 Avenue of the Americas, 46th
Floor**

New York, New York 10105
(Address of principal executive offices) (Zip code)

(212) 798-6100
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 2.01. Completion of Acquisition or Disposition of Assets.

On November 7, 2014, Newcastle Investment Corp. (“Newcastle”) issued a press release announcing that its previously announced spin-off of New Senior Investment Group Inc. (“New Senior”) had been completed (the “Spin-off Transaction”). The Spin-off Transaction was effected as a taxable pro rata distribution by Newcastle of all of the outstanding shares of common stock of New Senior to the stockholders of record of Newcastle as of October 27, 2014. The stockholders of Newcastle received one share of New Senior common stock for each share of Newcastle common stock held. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the Spin-off Transaction, equitable adjustments were made to each right relating to shares of Newcastle common stock (each, a “Newcastle option”). As of November 6, 2014 (the “Distribution Date”), each Newcastle option that was held by FIG LLC, Newcastle’s manager (the “Manager”), or by the directors, officers, employees, service providers, consultants and advisors of the Manager, was converted into an adjusted Newcastle option and a right relating to a number of shares of New Senior common stock (each, a “New Senior option”). The exercise price of each adjusted Newcastle option and New Senior option is being set to collectively maintain the intrinsic value of the Newcastle option immediately prior to the distribution and to maintain the ratio of the exercise price of the adjusted Newcastle option and the New Senior option, respectively, to the fair market value of the underlying shares as of the Distribution Date, in each case based on the five day average closing price subsequent to the Distribution Date. The remaining terms of the Newcastle options were unchanged.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

The pro forma financial information specified in Article II of Regulation S-K is filed as Exhibit 99.2 hereto.

(d) Exhibits

Exhibit
Number Description

99.1 Press Release, dated November 7, 2014, announcing completion of the Spin-off Transaction.

99.2 Newcastle Investment Corp. Unaudited Pro Forma Financial Information.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEWCASTLE INVESTMENT CORP.

Date: November 12, 2014

By: /s/ Justine A. Cheng
Name: Justine A. Cheng
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit

Number Description

- 99.1 Press Release, dated November 7, 2014, announcing completion of the Spin-off Transaction.
- 99.2 Newcastle Investment Corp. Unaudited Pro Forma Financial Information.



Contact:
Investor Relations
212-479-3195

NEWCASTLE ANNOUNCES COMPLETION OF SPIN-OFF OF NEW SENIOR

NEW YORK—(BUSINESS WIRE)—November 7, 2014—Newcastle Investment Corp. (NYSE:NCT; “Newcastle”, the “Company”) today announced that the spin-off of New Senior Investment Group Inc. (“New Senior”) was successfully completed on November 6, 2014. Starting on November 7, 2014, New Senior will begin trading on the New York Stock Exchange under the symbol “SNR.”

Holders of Newcastle common stock as of the record date, October 27, 2014, have been electronically issued one share of New Senior common stock for each share of Newcastle common stock held as of the record date.

ABOUT NEWCASTLE

Newcastle focuses on investing in, and actively managing, real estate related assets. Newcastle conducts its operations to qualify as a REIT for federal income tax purposes. Newcastle is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm.

FORWARD-LOOKING STATEMENTS

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the commencement of trading. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information was derived from the application of pro forma adjustments to the historical consolidated financial statements of Newcastle Investment Corp. and its subsidiaries (collectively, "Newcastle"). These unaudited pro forma condensed consolidated statements of operations and unaudited pro forma condensed consolidated balance sheet should be read in conjunction with the related notes to the pro forma financial information and with Newcastle's historical consolidated financial statements and the related notes included in Newcastle's previous filings with the Securities and Exchange Commission.

The unaudited pro forma information set forth below reflects the historical information of Newcastle, as adjusted to give effect to the following transaction:

- The spin-off of New Senior Investment Group Inc. ("New Senior") from Newcastle on November 6, 2014;
and
- The contribution of approximately \$239.5 million of cash from Newcastle to New Senior upon spin-off.

The unaudited pro forma condensed consolidated statement of operations gives effect to the above transaction as if it occurred on January 1, 2011. The unaudited pro forma condensed consolidated balance sheet assumes that the New Senior spin-off occurred on September 30, 2014.

New Senior commenced its operations in July 2012 and there were no senior housing operations included in Newcastle historical consolidated financial statements prior to that date. Hence, no pro forma adjustments have been made to the Condensed Consolidated Statements of Operations for the year ended December 31, 2011.

In the opinion of management, all adjustments necessary to reflect the effects of the transaction described above have been included and are based upon available information and assumptions that Newcastle believes are reasonable.

Further, the historical financial information presented herein has been adjusted to give pro forma effect to events that Newcastle believes are (i) directly attributable to the spin-off of New Senior, (ii) factually supportable and (iii) with respect to the unaudited pro forma consolidated statement of operations, expected to have a continuing impact on Newcastle's results. However, such adjustments are estimates and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

The unaudited pro forma condensed consolidated financial information is provided for information purposes only. The unaudited pro forma condensed consolidated statements of operations do not purport to represent what Newcastle's results of operations would have been had such transactions been consummated on the date indicated, nor do they represent the results of operations of either Newcastle or New Senior for any future date or period.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
At September 30, 2014
(dollars in thousands)

	Historical (A)	New Senior Spin-off (B)	Pro Forma
Assets			
Real estate securities, available-for-sale	\$ 310,639	\$ —	310,639
Real estate related and other loans, held-for-sale, net	224,992	—	224,992
Residential mortgage loans, held-for-sale, net	4,036	—	4,036
Subprime mortgage loans subject to call option	406,217	—	406,217
Investments in senior housing real estate, net of accumulated depreciation	1,582,477	(1,582,477)	—
Investments in real estate, net of accumulated depreciation	245,510	—	245,510
Intangibles, net of accumulated amortization	201,909	(114,522)	87,387
Other investments	26,456	—	26,456
Cash and cash equivalents	257,584	(239,533) (C)	18,051
Restricted cash	4,624	—	4,624
Receivables and other assets	111,996	(76,851)	35,145
Assets of discontinued operations	6,863	—	6,863
Total Assets	\$ 3,383,303	\$ (2,013,383)	\$ 1,369,920
Liabilities and Equity			
Liabilities			
CDO bonds payable	\$ 230,858	\$ —	\$ 230,858
Other bonds and notes payable	82,063	—	82,063
Repurchase agreements	63,804	—	63,804
Mortgage notes payable	1,148,008	(1,148,008)	—
Credit facilities and obligations under capital leases, golf	160,692	—	160,692
Financing of subprime mortgage loans subject to call option	406,217	—	406,217
Junior subordinated notes payable	51,233	—	51,233
Dividends payable	40,770	—	40,770
Accounts payable, accrued expenses and other liabilities	249,065	(82,580)	166,485
Liabilities of discontinued operations	412	—	412
Total Liabilities	\$ 2,433,122	\$ (1,230,588)	\$ 1,202,534
Equity			
Preferred stock	\$ 61,583	\$ —	\$ 61,583
Common stock	664	—	664
Additional paid-in-capital	3,171,983	—	3,171,983
Accumulated deficit	(2,350,567)	(782,795) (D)	(3,133,362)
Accumulated other comprehensive income	66,342	—	66,342
Total Newcastle Stockholders' Equity	950,005	(782,795)	167,210
Noncontrolling interests	176	—	176
Total Equity	\$ 950,181	\$ (782,795)	\$ 167,386
Total Liabilities and Equity	\$ 3,383,303	\$ (2,013,383)	\$ 1,369,920

- A. Represents Newcastle's historical consolidated balance sheet at September 30, 2014.
- B. Represents New Senior's assets and liabilities at September 30, 2014.
- C. Represents the contribution of \$239,533 of cash from Newcastle to New Senior upon spin-off.
- D. Represents a reduction of Newcastle's equity as a result of the distribution of New Senior stock to Newcastle stockholders.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Nine months ended September 30, 2014
(dollars in thousands, except share data)

	Historical (A)	New Senior Spin-off (B)	Pro Forma
Interest income	\$ 103,889	\$ —	\$ 103,889
Interest expense	102,340	(41,429)	60,911
Net interest income	1,549	41,429	42,978
Impairment/(Reversal)			
Valuation allowance (reversal) on loans	(1,243)	—	(1,243)
Total impairment (reversal)	(1,243)	—	(1,243)
Net interest income (loss) after impairment/reversal	2,792	41,429	44,221
Operating Revenues			
Rental income	167,208	(167,208)	—
Care and ancillary income	17,555	(17,555)	—
Golf course operations	140,699	—	140,699
Sales of food and beverages - golf	52,333	—	52,333
Other golf revenue	33,832	—	33,832
Total other revenues	411,627	(184,763)	226,864
Other Income			
Gain (loss) on settlement of investments, net	49,742	—	49,742
Gain (loss) on extinguishment of debt	(3,410)	—	(3,410)
Other income, net	25,258	(1,457)	23,801
Total other income	71,590	(1,457)	70,133
Expenses			
Loan and security servicing expense	1,424	—	1,424
Property operating expenses	74,092	(74,092)	—
Operating expenses - golf	191,119	—	191,119
Cost of sales - golf	23,183	—	23,183
General and administrative expenses	27,380	(15,916) (C)	11,464
Management fee to affiliate	23,618	(12,530) (D)	11,088
Depreciation and amortization expense	97,812	(74,672)	23,140
Total expenses	438,628	(177,210)	261,418
Income from continuing operations before income tax	47,381	32,419	79,800
Income tax expense	1,169	(1,025)	144
Income (loss) from continuing operations	46,212	33,444	79,656
Income (loss) from discontinued operations, net of tax	(4,748)	—	(4,748)
Net income	41,464	33,444	74,908
Preferred dividends	(4,185)	—	(4,185)
Net loss attributable to noncontrolling interests	711	—	711
Income Applicable to Common Stockholders	<u>\$ 37,990</u>	<u>\$ 33,444</u>	<u>\$ 71,434</u>
Income Applicable to Common Stock, per share			
Basic	<u>\$ 0.63</u>		<u>\$ 1.19</u>
Diluted	<u>\$ 0.62</u>		<u>\$ 1.16</u>
Weighted Average Number of Shares of Common Stock Outstanding			
Basic	<u>59,848,506</u>		<u>59,848,506</u>
Diluted	<u>61,630,175</u>		<u>61,630,175</u>

- A. Represents Newcastle's historical consolidated statement of operations for the nine months ended September 30, 2014.
- B. Represents New Senior's results of operations for the nine months ended September 30, 2014.
- C. General and administrative expenses include acquisition and transaction expenses of \$12,800 for the nine months ended September 30, 2014.
- D. Represents property management fee of \$6,766 paid to affiliates and management fee of \$5,764 allocated pursuant to the Newcastle Management Agreement.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2013
(dollars in thousands, except share data)

	Historical (A)	New Senior Spin-off (B)	Pro Forma
Interest income	\$ 213,715	\$ (3)	\$ 213,712
Interest expense	89,382	(10,781)	78,601
Net interest income	124,333	10,778	135,111
Impairment/(Reversal)			
Valuation allowance (reversal) on loans	(25,035)	—	(25,035)
Other-than-temporary impairment on securities	5,222	—	5,222
Portion of other-than-temporary impairment on securities recognized in other comprehensive income (loss), net of the reversal of other comprehensive loss into net income (loss)	44	—	44
Total impairment (reversal)	(19,769)	—	(19,769)
Net interest income (loss) after impairment/reversal	144,102	10,778	154,880
Other Revenues			
Rental income	72,880	(72,880)	—
Care and ancillary income	12,387	(12,387)	—
Total other revenues	85,267	(85,267)	—
Other Income (Loss)			
Gain (loss) on settlement of investments, net	17,369	—	17,369
Gain (loss) on extinguishment of debt	4,565	—	4,565
Other income, net	13,367	(11)	13,356
Total other income	35,301	(11)	35,290
Expenses			
Loan and security servicing expense	3,857	—	3,857
Property operating expenses	52,713	(52,713)	—
General and administrative expenses	35,183	(17,725) (C)	17,458
Management fee to affiliate	33,091	(6,830) (D)	26,261
Depreciation and amortization expense	26,909	(26,905)	4
Total expenses	151,753	(104,173)	47,580
Income from continuing operations before income tax	112,917	29,673	142,590
Income tax expense	1,038	(1,038)	—
Income (loss) from continuing operations	111,879	30,711	142,590
Income (loss) from discontinued operations, net of tax	40,462	—	40,462
Net income	152,341	30,711	183,052
Preferred dividends	(5,580)	—	(5,580)
	(928)	—	(928)
Net income attributable to noncontrolling interests			
Income Applicable to Common Stockholders	\$ 145,833	\$ 30,711	\$ 176,544
Income Applicable to Common Stock, per share (E)			
Basic	\$ 3.16		\$ 3.83
Diluted	\$ 3.09		\$ 3.74
Weighted Average Number of Shares of Common Stock Outstanding (E)			
Basic	46,146,882		46,146,882
Diluted	47,218,274		47,218,274

- A. Represents Newcastle's historical consolidated statement of operations for the year ended December 31, 2013.
- B. Represents New Senior's results of operations for the year ended December 31, 2013.
- C. General and administrative expenses include acquisition and transaction expenses of \$13,825 and general and administrative expense of \$1,777, allocated by Newcastle for the year ended December 31, 2013.
- D. Represents property management fee of \$5,034 paid to affiliates and management fee of \$1,796 allocated pursuant to the Newcastle Management Agreement.
- E. Per share amounts and shares outstanding reflects the 1-for-3 reverse stock split, which was effective after the close of trading on August 18, 2014 and the 1-for-2 reverse stock split, which was effective after the close of trading on October 22, 2014.

NEWCASTLE INVESTMENT CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2012
(dollars in thousands, except share data)

	Historical (A)	New Senior Spin-off (B)	Pro Forma
Interest income	\$ 282,951	\$ —	\$ 282,951
Interest expense	109,924	(1,688)	108,236
Net interest income	<u>173,027</u>	<u>1,688</u>	<u>174,715</u>
Impairment/(Reversal)			
Valuation allowance (reversal) on loans	(24,587)	—	(24,587)
Other-than-temporary impairment on securities	19,359	—	19,359
Portion of other-than-temporary impairment on securities recognized in other comprehensive income (loss), net of the reversal of other comprehensive loss into net income (loss)	<u>(436)</u>	<u>—</u>	<u>(436)</u>
Total impairment (reversal)	<u>(5,664)</u>	<u>—</u>	<u>(5,664)</u>
Net interest income (loss) after impairment/reversal	178,691	1,688	180,379
Other Revenues			—
Rental income	15,032	(15,032)	—
Care and ancillary income	<u>2,994</u>	<u>(2,994)</u>	<u>—</u>
Total other revenues	<u>18,026</u>	<u>(18,026)</u>	<u>—</u>
Other Income (Loss)			—
Gain (loss) on settlement of investments, net	232,897	—	232,897
Gain (loss) on extinguishment of debt	24,085	—	24,085
Other income, net	<u>5,312</u>	<u>82</u>	<u>5,394</u>
Total other income	<u>262,294</u>	<u>82</u>	<u>262,376</u>
Expenses			—
Loan and security servicing expense	4,260	—	4,260
Property operating expenses	11,539	(11,539)	—
General and administrative expenses	17,236	(5,997) (C)	11,239
Management fee to affiliate	24,693	(1,546) (D)	23,147
Depreciation and amortization expense	<u>5,784</u>	<u>(5,784)</u>	<u>—</u>
Total expenses	<u>63,512</u>	<u>(24,866)</u>	<u>38,646</u>
Income from continuing operations before income tax	395,499	8,610	404,109
Income tax expense	—	—	—
Income (loss) from continuing operations	395,499	8,610	404,109
Income (loss) from discontinued operations, net of tax	<u>38,611</u>	<u>—</u>	<u>38,611</u>
Net income	434,110	8,610	442,720
Preferred dividends	(5,580)	—	(5,580)
	—	—	—
Net income attributable to noncontrolling interests	—	—	—
Income Applicable to Common Stockholders	<u>\$ 428,530</u>	<u>\$ 8,610</u>	<u>\$ 437,140</u>
Income Applicable to Common Stock, per share (E)			
Basic	<u>\$ 17.84</u>		<u>\$ 18.20</u>
Diluted	<u>\$ 17.64</u>		<u>\$ 17.99</u>
Weighted Average Number of Shares of Common Stock Outstanding (E)			
Basic	<u>24,024,395</u>		<u>24,024,395</u>
Diluted	<u>24,294,402</u>		<u>24,294,402</u>

- A. Represents Newcastle's historical consolidated statement of operations for the year ended December 31, 2012.
- B. Represents New Senior's results of operations for the year ended December 31, 2012.
- C. General and administrative expenses include acquisition and transaction expenses of \$5,235 and general and administrative expense of \$233, allocated by Newcastle for the year ended December 31, 2012.
- D. Represents property management fee of \$1,082 paid to affiliates and management fee of \$464 allocated pursuant to the Newcastle Management Agreement.
- E. Per share amounts and shares outstanding reflects the 1-for-3 reverse stock split, which was effective after the close of trading on August 18, 2014 and the 1-for-2 reverse stock split, which was effective after the close of trading on October 22, 2014.