

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* HESS DEBRA ANN		2. Issuer Name and Ticker or Trading Symbol NEWCASTLE INVESTMENT CORP [NCT]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ Chief Financial Officer	
(Last) (First) (Middle) 1345 AVENUE OF THE AMERICAS		3. Date of Earliest Transaction (Month/Day/Year) 10/26/2006			
(Street) NEW YORK, NY 10105		4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing Check Applicable Line <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)		Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned			

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (right to buy)	\$ 29.42	10/26/2006		J(1)		5,100		10/26/2006(3)	10/26/2016	Common stock, par value \$0.01	5,100	\$ 0	5,100	D	
Stock Option (right to buy)	\$ 31.3	01/01/2007		J(1)		7,260		01/01/2007(3)	01/01/2017	Common stock, par value \$0.01	7,260	\$ 0	7,260	D	
Stock Option (right to buy)	\$ 25.75	03/14/2007		J(2)		10,350		05/19/2004(3)	05/19/2014	Common stock, par value \$0.01	10,350	\$ 0	10,350	D	
Stock Option (right to buy)	\$ 29.6	03/15/2007		J(2)		9,900		01/06/2005(3)	01/06/2015	Common stock, par value \$0.01	9,900	\$ 0	9,900	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HESS DEBRA ANN 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105			Chief Financial Officer	

Signatures

/s/ Debra A. Hess

04/13/2007

Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Each of the reported options were automatically granted by the issuer to Fortress Operating Entity I ("FOE I," which was formerly known as Fortress Investment Holdings LLC) pursuant to the terms of the issuer's Nonqualified Stock Option and Incentive Award Plan and simultaneously assigned by FOE I to the reporting person, who assumed the options for no value.
- (2) Each of the reported options were automatically granted by the issuer to FOE I pursuant to the terms of the issuer's Nonqualified Stock Option and Incentive Award Plan on May 19, 2004 and January 06, 2005, respectively. On March 14, and March 15, 2007, respectively, FOE I assigned such options to the reporting person, who assumed the options for no value.
- (3) Options were fully vested on date of initial grant from the issuer to FOE I and became exercisable in thirty equal monthly installments beginning on the first of the month following the month in which the options were granted (indicated in the "date exercisable" column).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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