

FORM 4

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

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person * NARDONE RANDAL A		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) _____ Secretary	
(Last) (First) (Middle) 1345 AVENUE OF THE AMERICAS		3. Date of Earliest Transaction (Month/Day/Year) 05/18/2007			
(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)	\$ 27.75	05/18/2007		J	(1)(2)	162,450	04/11/2007	(3)	04/11/2017	Common stock, par value \$0.01	293,550 (1)(2)	\$ 0	293,550	I	Fortress Operating Entity I L.P. (1)(2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NARDONE RANDAL A 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105			Secretary	

Signatures

/s/ Randal A. Nardone 05/18/2007
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).

On April 11, 2007, the issuer automatically granted 456,000 options to Fortress Operating Entity I L.P. ("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. Initial option grant was for shares equal to 10% of the number of shares issued by the issuer in a common stock offering (1) that settled on April 11, 2007. Mr. Nardone may be deemed to be the beneficial owner of these options by virtue of his beneficial ownership of a portion of FOE I. Mr. Nardone disclaims beneficial ownership of any derivative securities (and the underlying shares of common stock) of the issuer held by FOE I except to the extent of his pecuniary interest therein. (Continued in Footnote 2)

(Continued From Footnote 1) On May 17, 2007, FOE I assigned a portion of these options to various persons, each of whom assumed the options for no value. Amount of options listed represents (2) the portion of options retained by FOE I after taking into account all such assignments.

(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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