

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 * 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)	3. Date of Earliest Transaction (Month/Day/Year) 01/12/2005					
(Street)			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)	Price			
Common Stock, par value \$0.01								306,000 (1)	D	
Common Stock, par value \$0.01								355,100 (2)	I	By Fortress Principal Investment Holdings II LLC
Series B Preferred Stock, par value \$0.01								1,096 (3)	I	By Newcastle Investment Holdings LLC

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
Option (Right to Buy)	\$ 29.60	01/12/2005		J(4)		330,000		(5)	01/12/2015	Common Stock, par value \$0.01	330,000	\$ 0	330,000	I	By Fortress Investment Holdings LLC (6)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NARDONE RANDAL A			Secretary	

Signatures

/s/ Randal A. Nardone

01/14/2005

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) Represents an increase in shares being reported as owned directly by Mr. Nardone as a result of a transaction effected on December 17, 2004 that was exempt under Rule 16(a)-13.

(2) Represents a decrease in shares being reported as being indirectly held by Mr. Nardone as a result of the transaction described in footnote (1). Mr. Nardone may be deemed to be the beneficial owner of shares of common stock of the issuer by virtue of his beneficial ownership of a portion of Fortress Principal Investment Holdings II LLC ("FPIH II"); Mr. Nardone disclaims beneficial ownership of these shares held by FPIH II except to the extent of his pecuniary interest therein.

(3) Mr. Nardone may be deemed to be the beneficial owner of these shares by virtue of his beneficial ownership of a portion of FPIH II and his ownership of interest in Newcastle Investment Holdings LLC ("NIH"); FPIH II is the managing member of and also owns a portion of NIH. Mr. Nardone disclaims beneficial ownership of shares of the Issuer held by NIH except to the extent of his pecuniary interest therein.

(4) Option granted to Fortress Investment Holdings LLC.

(5) The Option is fully vested on the date of the grant and is exercisable in thirty (30) equal monthly installments beginning February 1, 2005.

(6) Mr. Nardone may be deemed to be the beneficial owner of these shares by virtue of his beneficial ownership of a portion of Fortress Investment Holdings LLC ("FIH"). Mr. Nardone disclaims beneficial ownership of all shares of common stock of the Issuer and derivative securities therefore held by FIH except to the extent of his pecuniary interest therein.

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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