

# 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

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

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 *<br><b>NARDONE RANDAL A</b> |         |          | 2. Issuer Name and Ticker or Trading Symbol<br><b>NEWCASTLE INVESTMENT CORP [NCT]</b>   |  |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br>Director _____ 10% Owner _____<br><input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____<br><b>Secretary</b> |  |  |
| (Last)   | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>01/20/2005</b>                   |  |  |  |  |  |
| (Street)   |         |          | 4. If Amendment, Date Original Filed (Month/Day/Year)                                   |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person                       |  |  |
| (City)   | (State) | (Zip)    | <b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b> |  |  |  |  |  |

| 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             | 01/20/2005                           |  | X                              |   | 387,450   | A          | \$ 13    | 387,450 <sup>(1)</sup>  | I  | By Fortress Investment Holdings LLC                   |
| Common Stock, par value \$0.01             | 01/20/2005                           |  | X                              |   | 160,080   | A          | \$ 20.35 | 547,530 <sup>(1)</sup>  | I  | By Fortress Investment Holdings LLC                   |
| Common Stock, par value \$0.01             |                                      |  |                                |   |   |            |          | 306,000   | D  |   |
| Common Stock, par value \$0.01             |                                      |  |                                |   |   |            |          | 355,100 <sup>(2)</sup>  | I  | By Fortress Principal Investment Holdings II LLC      |
| Series B Preferred Stock, par value \$0.01 |                                      |  |                                |   |   |            |          | 1,096 <sup>(3)</sup>  | I  | By Newcastle Investment Holdings LLC                  |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

**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)                      | \$ 13  | 01/20/2005                           |  | X                              |   | 387,450   |     | 11/01/2002   | 10/09/2012      | Common Stock, par value \$0.01                                | 387,450                                    | \$ 13  | 43,050 <sup>(1)</sup>  | I  | By Fortress Investment Holdings LLC |

|                       |          |            |  |   |  |         |            |            |                                |         |          |                             |   |   |
|-----------------------|----------|------------|--|---|--|---------|------------|------------|--------------------------------|---------|----------|-----------------------------|---|---|
| Option (Right to Buy) | \$ 20.35 | 01/20/2005 |  | X |  | 160,080 | 08/01/2003 | 07/16/2013 | Common Stock, par value \$0.01 | 160,080 | \$ 20.35 | 106,720 <a href="#">(1)</a> | I | By Fortress Investment Holdings LLC <a href="#">(1)</a> |
|-----------------------|----------|------------|--|---|--|---------|------------|------------|--------------------------------|---------|----------|-----------------------------|---|---|

## Reporting Owners

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

## Signatures

|  |  |                     |
|--|--|---------------------|
| /s/ Randal A. Nardone                          |  | 01/20/2005          |
| <small>**Signature of Reporting Person</small> |  | <small>Date</small> |

## 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) 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.
- (2) Mr. Nardone may be deemed to be the beneficial owner of shares in 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.
- 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 and 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.
- (3) Holdings LLC ("NIH"); FPIH II is the managing member and 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.

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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