



#35135

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DATE: AUGUST 18, 2014

SUBJECT: NEWCASTLE INVESTMENT CORP. – REVERSE SPLIT
OPTION SYMBOL: NCT
NEW SYMBOL: NCT3
DATE: 8/19/14
* * * UPDATE * * *

Newcastle Investment Corp. (NCT) has announced a 1-for-3 reverse stock split. As a result of the reverse stock split, each NCT Common Share will be converted into the right to receive 0.333333 (New) Newcastle Investment Corp. Common Shares. The reverse stock split **will become effective before the market open on August 19, 2014.**

CONTRACT ADJUSTMENT

Effective Date: **August 19, 2014**

Option Symbol: NCT changes to NCT3

Contract Multiplier: 1

Strike Divisor: 1

New Multiplier: 100 (e.g., for premium or strike dollar extensions 1.00 will equal \$100)

New Deliverable Per Contract:

- 1) 33 (New) Newcastle Investment Corp. (NCT) Common Shares
- 2) Cash in lieu of 0.3333 fractional NCT Shares

CUSIP: NCT (New): 65105M504

PRICING

Until the cash in lieu amount is determined, the underlying price for NCT3 will be determined as follows:

$$\text{NCT3} = 0.333333 (\text{NCT})$$

DELAYED SETTLEMENT

The NCT component of the NCT3 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NCT3 deliverable until the cash in lieu of fractional NCT Shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

DISCLAIMER

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For questions regarding this memo, call 1-888-678-4667 or email investorservices@theocc.com.