

REDWOOD TRUST INC
Form 4
November 22, 2006

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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HANSEN DOUGLAS B

2. Issuer Name and Ticker or Trading Symbol
REDWOOD TRUST INC [RWT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

3. Date of Earliest Transaction (Month/Day/Year)
11/20/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

MILL VALLEY, CA 94941

(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	11/20/2006	11/20/2006	S		7,900	D	\$ 59.0803
Common Stock	11/20/2006		M		40,736	A	\$ 45
Common Stock	11/20/2006		F		31,101	D	\$ 58.94
Common Stock	11/20/2006		F		3,733	D	\$ 58.94
Common Stock	11/20/2006		M		36,750	A	\$ 11.4375

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Common Stock	11/20/2006	F	7,131	D	\$ 58.94	168,884	D
Common Stock	11/20/2006	F	11,477	D	\$ 58.94	157,407	D
Common Stock	11/20/2006	M	14,690	A	\$ 24.5	172,097	D
Common Stock	11/20/2006	F	6,106	D	\$ 58.94	165,991	D
Common Stock	11/20/2006	F	3,326	D	\$ 58.94	162,665	D
Common Stock	11/20/2006	M	38,853	A	\$ 27.05	201,518	D
Common Stock	11/20/2006	F	17,831	D	\$ 58.94	183,687	D
Common Stock	11/20/2006	F	8,145	D	\$ 58.94	175,542	D
Common Stock	11/20/2006	M	100,000	A	\$ 37.75	275,542	D
Common Stock	11/20/2006	F	64,048	D	\$ 58.94	211,494	D
Common Stock	11/20/2006	F	13,931	D	\$ 58.94	197,563	D

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

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(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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 11.4375	11/20/2006		M		36,750	12/02/1999 12/02/2009	Common Stock
Non-Qualified Stock Option	\$ 24.5	11/20/2006		M		14,690	12/17/2001 ⁽¹⁾ 12/17/2011	Common Stock

(right to buy)									
Non-Qualified Stock Option (right to buy)	\$ 27.05	11/20/2006	M		38,853	12/19/2002 ⁽²⁾	12/19/2012		Comr Stoc
Non-Qualified Stock Option (right to buy)	\$ 37.75	11/20/2006	M		100,000	01/20/1997	01/18/2007		Comr Stoc
Non-Qualified Stock Option (right to buy)	\$ 45	11/20/2006	M		40,736	07/25/1997	07/25/2007		Comr Stoc
Non-Qualified Stock Option (right to buy)	\$ 58.94	11/20/2006	A	9,432		⁽³⁾	12/17/2011		Comr Stoc
Non-Qualified Stock Option (right to buy)	\$ 58.94	11/20/2006	A	25,977		⁽³⁾	12/19/2012		Comr Stoc

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HANSEN DOUGLAS B 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X		President	

Signatures

Douglas B.
Hansen 11/22/2006

 **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) Twenty-five percent of the options vest on January 1, 2003. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2003 through January 1, 2006.
 - (2) Twenty-five percent of the options vest on January 1, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.
 - (3) These options are 100% vested at grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.