

REDWOOD TRUST INC  
Form 4  
November 17, 2008

**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 \*  
NICHOLAS BRETT D

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
11/14/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)

Co-Chief Operating Officer

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

**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	11/14/2008		M		5,000 A \$ 13.1875	28,229.56	D
Common Stock	11/14/2008		F		4,503 D \$ 14.64	23,726.56	D
Common Stock	11/14/2008		F		177 D \$ 14.64	23,549.56	D
Common Stock	11/14/2008		M		2,100 A \$ 13.1875	25,649.56	D
Common Stock	11/14/2008		F		1,891 D \$ 14.64	23,758.56	D

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Common Stock 11/14/2008 F 74 D \$ 14.64 23,684.56 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 (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 Security (Instr. 3 and 4)
Non-Qualified Stock Option (right to buy)	\$ 13.1875	11/14/2008		M	5,000	11/14/2008 <sup>(1)</sup> 12/17/2008	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 13.1875	11/14/2008		M	2,100	11/14/2008 <sup>(1)</sup> 12/17/2008	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NICHOLAS BRETT D 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941			Co-Chief Operating Officer	

## Signatures

Brett Nicholas 11/17/2008  
 \*\*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) The option becomes exercisable in four equal installments on the 4th day of May in 2000, 2001, 2002, and 2003.

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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