

REDWOOD TRUST INC  
Form 4  
November 22, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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  
  
(Street)

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

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

MILL VALLEY, CA 94941

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

(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.

**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 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 <sup>(1)</sup> 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 <sup>(2)</sup>	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	<sup>(3)</sup>	12/17/2011		Comr Stoc
Non-Qualified Stock Option (right to buy)	\$ 58.94	11/20/2006	A	25,977	<sup>(3)</sup>	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

                              Date  
\*\*Signature of Reporting Person

## 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.