

REDWOOD TRUST INC
Form SC 13G
July 31, 2018

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

SCHEDULE 13G
Under the Securities Exchange Act of 1934
(Amendment No.)*

Redwood Trust, Inc.

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

758075402

(CUSIP Number)

July 26, 2018

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on the Following Pages)

(Page 1 of 13 Pages)

1. NAMES OF REPORTING PERSONS

LINDEN CAPITAL L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Bermuda

5. SOLE VOTING POWER

NUMBER OF

SHARES

0

6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY

4,074,884(1)

EACH

7. SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8. SHARED DISPOSITIVE POWER

WITH:

4,074,884(1)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,074,884(1)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.7%

12. TYPE OF REPORTING PERSON

PN

1. Consists entirely of Shares obtainable upon conversion of the 4.75% Convertible Senior Notes due 2023 issued by the Issuer, 5.625% Convertible Senior Notes due 2024 issued by the Issuer, and 5.625% Exchangeable Senior Notes due 2019 issued by RWT Holdings, Inc.

1. NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LINDEN GP LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

NUMBER OF

SHARES

0

6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY

4,074,884(1)

EACH

7. SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8. SHARED DISPOSITIVE POWER

WITH:

4,074,884(1)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,074,884(1)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.7%

12. TYPE OF REPORTING PERSON

HC

1. Consists entirely of Shares obtainable upon conversion of the 4.75% Convertible Senior Notes due 2023 issued by the Issuer, 5.625% Convertible Senior Notes due 2024 issued by the Issuer, and 5.625% Exchangeable Senior Notes due 2019 issued by RWT Holdings, Inc.

1. NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LINDEN ADVISORS LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

NUMBER OF

SHARES

0

6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY

4,330,007(1)

EACH

7. SOLE DISPOSITIVE POWER

REPORTING

PERSON

0

8. SHARED DISPOSITIVE POWER

WITH:

4,330,007(1)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,330,007(1)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.0%

12. TYPE OF REPORTING PERSON

IA, PN

1. Consists entirely of Shares obtainable upon conversion of the 4.75% Convertible Senior Notes due 2023 issued by the Issuer, 5.625% Convertible Senior Notes due 2024 issued by the Issuer, and 5.625% Exchangeable Senior Notes due 2019 issued by RWT Holdings, Inc.

1. NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

SIU MIN WONG

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

China (Hong Kong) and USA

5. SOLE VOTING POWER

NUMBER OF

SHARES 0
6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 4,330,007(1)
EACH 7. SOLE DISPOSITIVE POWER

REPORTING

PERSON 0
8. SHARED DISPOSITIVE POWER

WITH:

4,330,007(1)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,330,007(1)

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.0%

12. TYPE OF REPORTING PERSON

IN, HC

1. Consists entirely of Shares obtainable upon conversion of the 4.75% Convertible Senior Notes due 2023 issued by the Issuer, 5.625% Convertible Senior Notes due 2024 issued by the Issuer, and 5.625% Exchangeable Senior Notes due 2019 issued by RWT Holdings, Inc.

Page 6 of 13

Item 1(a). Name of Issuer:

Redwood Trust, Inc. (the Issuer).

Item 1(b). Address of Issuer's Principal Executive Offices:

One Belvedere Place, Suite 300

Mill Valley, California 94941

Item 2(a). Name of Person Filing:

This Statement is filed on behalf of each of the following persons (collectively, the Reporting Persons)

- i) Linden Capital L.P., a Bermuda limited partnership (Linden Capital);
- ii) Linden GP LLC, a Delaware limited liability company (Linden GP);
- iii) Linden Advisors LP, a Delaware limited partnership (Linden Advisors); and
- iv) Siu Min (Joe) Wong (Mr. Wong).

This Statement relates to Shares (as defined herein) held for the account of Linden Capital and a separately managed account (the Managed Account). Linden GP is the general partner of Linden Capital and, in such capacity, may be deemed to beneficially own the Shares held by Linden Capital. Linden Advisors is the investment manager of Linden Capital and trading advisor for the Managed Account. Mr. Wong is the principal owner and controlling person of Linden Advisors and Linden GP. In such capacities, Linden Advisors and Mr. Wong may each be deemed to beneficially own the Shares held by each of Linden Capital and the Managed Account.

Item 2(b). Address of Principal Business Office or, if None, Residence:

The principal business address for Linden Capital is Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal business address for each of Linden Advisors, Linden GP and Mr. Wong is 590 Madison Avenue, 15th Floor, New York, New York 10022.

Item 2(c). Citizenship:

- i) Linden Capital is a Bermuda limited partnership.

- ii) Linden GP is a Delaware limited liability company.
- iii) Linden Advisors is a Delaware limited partnership.
- iv) Mr. Wong is a citizen of China (Hong Kong) and the United States.

Page 7 of 13

Item 2(d). Title of Class of Securities

Common Stock, \$0.01 par value per share (the Shares).

Item 2(e). CUSIP Number: 758075402

Item 3. If This Statement is Filed Pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), Check Whether the Person Filing is a:

This Item 3 is not applicable.

Item 4. Ownership:

Item 4(a) Amount Beneficially Owned:

As of July 26, 2018, each of Linden Advisors and Mr. Wong may be deemed the beneficial owner of 4,330,007 Shares. This amount consists of: (A) 4,074,884 Shares issuable upon conversion of convertible notes held by Linden Capital; and (B) 255,123 Shares issuable upon conversion of convertible notes held by the Managed Account. As of July 26, 2018, each of Linden GP and Linden Capital may be deemed the beneficial owner of 4,074,884 Shares issuable upon conversion of convertible notes held by Linden Capital.

Item 4(b) Percent of Class:

As of July 26, 2018, each of Linden Advisors and Mr. Wong may be deemed the beneficial owner of approximately 5.0% of Shares outstanding, and each of Linden GP and Linden Capital may be deemed the beneficial owner of approximately 4.7% of Shares outstanding. These percentages are based on the approximately 81,992,490 equity shares outstanding after giving effect to the Issuer's public offering of shares announced on July 24, 2018.

Page 8 of 13

Item 4(c) Number of Shares as to which such person has:

As of July 26, 2018:

Linden Capital and Linden GP:

| | |
|--|-----------|
| (i) Sole power to vote or direct the vote: | 0 |
| (ii) Shared power to vote or direct the vote: | 4,074,884 |
| (iii) Sole power to dispose or direct the disposition of: | 0 |
| (iv) Shared power to dispose or direct the disposition of: | 4,074,884 |

Linden Advisors and Mr. Wong:

| | |
|--|-----------|
| (i) Sole power to vote or direct the vote: | 0 |
| (ii) Shared power to vote or direct the vote: | 4,330,007 |
| (iii) Sole power to dispose or direct the disposition of: | 0 |
| (iv) Shared power to dispose or direct the disposition of: | 4,330,007 |

Item 5. Ownership of Five Percent or Less of a Class:

This Item 5 is not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

See disclosure in Items 2 and 4 hereof.

Page 9 of 13

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:

See disclosure in Item 2 hereof.

Item 8. Identification and Classification of Members of the Group:

See Exhibit B attached hereto.

Item 9. Notice of Dissolution of Group:

This item 9 is not applicable.

Item 10. Certification:

By signing below, the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under Sec. 240.14a-11.

Page 10 of 13

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, I certify that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: July 30, 2018

LINDEN CAPITAL L.P.

By: Linden GP LLC, its general partner

By: /S/ Saul Ahn
Saul Ahn,
Authorized Signatory

LINDEN GP LLC

By: /S/ Saul Ahn
Saul Ahn,
Authorized Signatory

LINDEN ADVISORS LP

By: /S/ Saul Ahn
Saul Ahn,
General Counsel

/S/ Siu Min Wong
SIU MIN WONG

EXHIBIT INDEX

| Ex. | Page No. |
|--|----------|
| A Joint Filing Agreement | 12 |
| B Identification of Members of the Group | 13 |