

REDWOOD TRUST INC  
Form 4  
November 28, 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 \*  
NICHOLAS BRETT D

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)  
11/27/2006

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

(Street)  
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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	11/27/2006		M		\$ 36.875	16,908	D
Common Stock	11/27/2006		F		\$ 56.55	7,453	D
Common Stock	11/27/2006		M		\$ 24.5	11,102	D
Common Stock	11/27/2006		F		\$ 56.55	9,522	D
Common Stock	11/27/2006		F		\$ 56.55	8,721	D

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Common Stock	11/27/2006	M	1,975	A	\$ 24.5	10,696	D
Common Stock	11/27/2006	F	855	D	\$ 56.55	9,841	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 and Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Incentive Stock Option (right to buy)	\$ 24.5	11/27/2006		M	1,975	(1) 12/17/2011		Common Stock
Incentive Stock Option (right to buy)	\$ 36.875	11/27/2006		M	14,500	(1) 12/13/2006		Common Stock
Non-Qualified Stock Option (right to buy)	\$ 24.5	11/27/2006		M	3,649	(1) 12/17/2011		Common Stock
Non-Qualified Stock Option (right to buy)	\$ 56.55	11/27/2006		A	2,384	11/27/2006 11/27/2011		Common Stock
Non-Qualified Stock Option (right to buy)	\$ 56.55	11/27/2006		A	855	11/27/2006 11/27/2011		Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NICHOLAS BRETT D 1 BELVEDERE PLACE SUITE 300			Vice President	

