REDWOOD TRUST INC

Form 4

December 14, 2004

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

OMB

Check this box if no longer

subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

3235-0287 Number: January 31, Expires: 2005

0.5

OMB APPROVAL

Estimated average burden hours per

response...

Form 4 or Form 5 obligations may continue.

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

See Instruction

(Middle)

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

(First)

NICHOLAS BRETT D

2. Issuer Name and Ticker or Trading

Symbol

REDWOOD TRUST INC [RWT]

3. Date of Earliest Transaction

(Month/Day/Year) 1 BELVEDERE PLACE, SUITE 300 12/10/2004

Director 10% Owner

(Check all applicable)

5. Relationship of Reporting Person(s) to

X_ Officer (give title Other (specify below) below) Vice President

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Issuer

MILL VALLEY, CA 94941

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

Reported (A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

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 3. Transaction Date 3A. Deemed 4. 5. Number of 6. Date Exercisable and 7. Title and Amo Derivative Conversion (Month/Day/Year) Execution Date, if **Transaction**Derivative **Expiration Date** Underlying Secu Security or Exercise Code Securities (Month/Day/Year) (Instr. 3 and 4) any

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. | tr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | | | |
|-------------------------------------------------|------------------------------------|------------|------------------|---------|-------------------------------------------------------------|----------|-----|---------------------|--------------------|-----------------|----------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | An Nu Sh |
| Non-Qualified Stock Option (right to buy) | \$ 0 | 12/10/2004 | | A | | 2,406.92 | | <u>(1)</u> | 12/10/2014 | Common Stock | 2, |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

NICHOLAS BRETT D 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941

Vice President

Signatures

Brett D. 12/14/2004 Nicholas

**Signature of Date 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, 2005. The remaining seventy-five percent of the shares vest in twelve quarterly installments from April 1, 2005 through January 1, 2008.

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.

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