REDWOOD TRUST INC

Form 4

December 12, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

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

Form 5 obligations may continue. See Instruction

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

1(b).

(Last)

Security

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person *

(First)

(Street)

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 12/08/2005

(Middle)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

Director

X_ Officer (give title

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

5. Relationship of Reporting Person(s) to

(Check all applicable)

below) Vice President

Person

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

Issuer

below)

MILL VALLEY, CA 94941

(City) (State) (Zip) 1. Title of

(Month/Day/Year)

2. Transaction Date 2A. Deemed 3. Execution Date, if

(Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

(A)

5. Amount of Securities Beneficially Owned Following

Reported

6. Ownership Form: Direct (T) (Instr. 4)

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

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 Amount of Derivative Conversion (Month/Day/Year) Execution Date, if **Transaction**Derivative **Expiration Date Underlying Securities** Security or Exercise any Code Securities (Month/Day/Year) (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) Derivative or Disposed of Security (D) (Instr. 3, 4, and 5) Code V (A) (D) Date **Expiration Title** Amount Exercisable Date or Number of Share: Stock Units in Deferred Common (1) (2) \$43.03 27,888 27,888 12/08/2005 A Compensation Stock Plan

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

NICHOLAS BRETT D 1 BELVEDERE PLACE SUITE 300

Vice President

MILL VALLEY, CA 94941

Signatures

By: Harold F. Zagunis For: Brett D.
Nicholas

**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) 25% of the Deferred Stock Units vest on 1/1/2007. The remaining units vest quarterly in equal installments, at a rate of 6.25%, on the first day of each quarter beginning on 4/1/07 through 1/1/2010.
- (2) No expiration.

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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