

REDWOOD TRUST INC
 Form 4
 November 29, 2006

FORM 4

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

OMB APPROVAL

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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 *
GEORGE E BULL

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
REDWOOD TRUST INC [RWT]

3. Date of Earliest Transaction (Month/Day/Year)
 11/29/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman Of The Board/CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 or Price | | |
| Common Stock | 11/29/2006 | | M | | 27,100 A \$ 36.875 | I | by Trust |
| Common Stock | 11/29/2006 | | M | | 100,000 A \$ 37.75 | I | by Trust |
| Common Stock | 11/29/2006 | | F | | 67,194 D \$ 56.18 | I | by Trust |
| Common Stock | 11/29/2006 | | F | | 12,712 D \$ 56.18 | I | by Trust |
| Common Stock | 11/29/2006 | | M | | 782 A \$ 27.05 | I | by Trust |

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| | | | | | | | | | |
|--------------|------------|--|---|--------|---|----------|---------|---|-----------------|
| Common Stock | 11/29/2006 | | M | 40,736 | A | \$ 45 | 261,337 | I | by Trust |
| Common Stock | 11/29/2006 | | F | 3,141 | D | \$ 56.18 | 258,196 | I | by Trust |
| Common Stock | 11/29/2006 | | F | 32,629 | D | \$ 56.18 | 225,567 | I | by Trust |
| Common Stock | 11/29/2006 | | M | 58,279 | A | \$ 27.05 | 283,846 | I | by Trust |
| Common Stock | 11/29/2006 | | F | 11,709 | D | \$ 56.18 | 272,137 | I | by Trust |
| Common Stock | 11/29/2006 | | F | 28,060 | D | \$ 56.18 | 244,077 | I | by Trust |
| Common Stock | | | | | | | 11,651 | D | |
| Common Stock | | | | | | | 11,200 | I | by IRA |
| Common Stock | | | | | | | 400 | I | by Spouse |
| Common Stock | | | | | | | 200 | I | by Spouse - IRA |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 |
| Incentive Stock Option (right to buy) | \$ 27.05 | 11/29/2006 | | M | 782 | ⁽¹⁾ | 12/19/2012 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 36.875 | 11/29/2006 | | M | 27,100 | 11/29/2006 | 12/13/2006 | Common Stock |

| | | | | | | | |
|---|----------|------------|---|---------|---------------------------|------------|--------------|
| Non-Qualified Stock Option (right to buy) | \$ 27.05 | 11/29/2006 | M | 58,279 | 11/29/2006 ⁽¹⁾ | 12/19/2012 | Comr Stoc |
| Non-Qualified Stock Option (right to buy) | \$ 37.75 | 11/29/2006 | M | 100,000 | 01/20/1997 | 01/18/2007 | Comr Stoc |
| Non-Qualified Stock Option (right to buy) | \$ 45 | 11/29/2006 | M | 40,736 | 11/29/2006 | 07/25/2007 | Comr Stoc |
| Non-Qualified Stock Option (right to buy) | \$ 56.18 | 11/29/2006 | A | 39,769 | 11/29/2006 | 12/19/2012 | Comr Stoc |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GEORGE E BULL 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941 | X | | Chairman Of The Board/CEO | |

Signatures

George E. Bull 11/29/2006
 **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, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.

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.