

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

Redwood Trust, Inc.

(Name of Issuer)

Common stock

(Title of Class of Securities)

758075402

(CUSIP Number)

*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 the disclosures provided in a prior cover page.

The information required in 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).

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1 NAME OF REPORTING PERSON
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

First Financial Fund, Inc.
IRS ID No.: 13-3341573

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) / /
(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Maryland

5 SOLE VOTING POWER
NUMBER OF 2,061

6 SHARED VOTING POWER
SHARES 0

BENEFICIALLY

7 SOLE DISPOSITIVE POWER
OWNED BY 0

EACH

REPORTING

8 SHARED DISPOSITIVE POWER
PERSON 2,061

WITH

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,061

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

N/A

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

0.02% Under 5%

12 TYPE OF REPORTING PERSON*

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Item 1.

- (a) Name of Issuer
Redwood Trust, Inc.
- (b) Address of Issuer's Principal Executive Offices
591 Redwood Highway, Suite 3100, Mill Valley, CA 94941

Item 2.

- (a) Name of Person Filing
First Financial Fund, Inc.
- (b) Address of Principal Business Office or, if none, Residence
Gateway Center Three
100 Mulberry Street, 9th Floor
Newark, NJ 07102-4077
- (c) Citizenship
Maryland
- (d) Title of Class of Securities
Common Stock
- (e) CUSIP Number
758075402

Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b), check whether the person filing is a:

- (a) / / Broker or Dealer registered under Section 15 of the Act
- (b) / / Bank as defined in section 3(a)(6) of the Act
- (c) / / Insurance Company as defined in section 3(a)(19) of the act
- (d) / / Investment Company registered under section 8 of the Investment Company Act
- (e) / / Investment Adviser registered under section 203 of the Investment Advisers Act of 1940
- (f) / / Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see 240.13d-1(b)(1)(ii)(F)
- (g) / / Parent Holding Company, in accordance with 240.13d-1(b)(ii)(G) (Note: See Item 7)

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(h) /___/ Group, in accordance with 240.13d-1(b)(1)(ii)(H)

Item 4. Ownership

If the percent of the class owned, as of December 31 of the year covered by the statement, or as of the last day of any month described in Rule 13d-1(b)(2), if applicable, exceeds five percent, provide the following information as of that date and identify those shares which there is a right to acquire.

- (a) Amount Beneficially Owned
2,061
- (b) Percent of Class
0.02% Under 5%
- (c) Number of shares as to which such person has:
- (i) sole power to vote or to direct the vote
2,061
- (ii) shared power to vote or to direct the vote
0
- (iii) sole power to dispose or to direct the disposition of
0
- (iv) shared power to dispose or to direct the disposition of
2,061

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

X

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

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

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Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

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

February 14, 1997

First Financial Fund, Inc.

By: /s/ Arthur J. Brown

Arthur J. Brown
Secretary

