

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549  
SCHEDULE 13G  
Under the Securities Exchange Act of 1934

(Amendment No. 2)

Redwood Trust, Inc.

-----  
(Name of Issuer)

Common/Warrants

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(Title of Class of Securities)

Common-758075402      Warrants-758075121

-----  
(CUSIP Number)

- 1) Names of Reporting Persons S.S. or I.R.S. Identification Nos. of Above Person.  
          WALLACE R. WEITZ & COMPANY                      47-0654095
- 2) Check the Appropriate Box if a Member of a Group.  
    (a) [    ]  
    (b) [ X ]
- 3) SEC Use Only.
- 4) Citizenship or Place of Organization.  
    STATE OF NEBRASKA

Number of Shares Beneficially Owned by Each Reporting Person With:

- 5) Sole Voting Power: 895,830  
6) Shared Voting Power: NONE  
7) Sole Dispositive Power: 895,830  
8) Shared Dispositive Power: NONE

- 9) Aggregate Amount Beneficially Owned by Each Reporting Person.  
    895,830
- 10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares. [    ]
- 11) Percent of Class Represented by Amount in Row 9.  
    8.2%
- 12) Type of Reporting Person.  
    IA

Check the following box if a fee is being paid with this statement [    ]

SCHEDULE 13G

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- Item 1(a). Name of Issuer:  
          REDWOOD TRUST, INC.
- Item 1(b). Address of Issuer's Principal Executive Office:  
          591 REDWOOD HIGHWAY, SUITE 3100  
          MILL VALLEY, CALIFORNIA 94941
- Item 2(a). Name of Person Filing:  
          WALLACE R. WEITZ & COMPANY
- Item 2(b). Address of Person Filing:  
          1125 SOUTH 103RD STREET, SUITE 600  
          OMAHA, NEBRASKA 68124-6008
- Item 2(c). Citizenship:  
          STATE OF NEBRASKA
- Item 2(d). Title of Class of Securities:  
          COMMON/WARRANTS
- Item 2(e). CUSIP Number:  
          COMMON-758075402  
          WARRANTS-758075121

Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 23-d(b), check whether the person filing is a:

[ X ] INVESTMENT ADVISER REGISTERED UNDER SECTION 203 OF THE  
INVESTMENT ADVISER ACT OF 1940

Item 4. Ownership:

- (a) Amount Beneficially Owned: 895,830
- (b) Percent of Class: 8.2%
- (c) Number of Shares as to which such person has:
  - (i) sole power to direct vote: 895,830
  - (ii) shared power to direct vote: NONE
  - (iii) sole power to dispose: 895,830
  - (iv) shared power to dispose: NONE

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.

/s/ Wallace R. Weitz

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Wallace R. Weitz, President

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.

Date:1/2/97

/s/ Wallace R. Weitz

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Wallace R. Weitz, President