
OMB APPROVAL

OMB number: 3235-0145
Expires: December 31, 1997
Estimated average burden
hours per response... 14.90

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 2) *

Redwood Trust, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

758075402

(CUSIP Number)

Stuart B. Panish c/o Zweig-DiMenna Associates LLC, 900 Third Avenue
New York, New York 10022 (212) 451-1100

(Name, Address and Telephone Number of Person Authorized to Receive Notices and
Communications)

September 9, 1997

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box .

Check the following box if a fee is being paid with this statement . (A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*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 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).

SCHEDULE 13D

CUSIP No. 758075402

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

Zweig-DiMenna Special Opportunities, L.P.
Zweig-DiMenna Partners, L.P.

Zweig-DiMenna International Limited
Zweig-DiMenna International Managers, Inc., on behalf of a
discretionary account
Gotham Advisors, Inc., on behalf of a discretionary account

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

3 SEC USE ONLY

4 SOURCE OF FUNDS* WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Zweig-DiMenna Special Opportunities, L.P. - Delaware
Zweig-DiMenna Partners, L.P. - New York
Zweig-DiMenna International Limited - British Virgin Islands
Zweig-DiMenna International Managers, Inc. - Delaware
Gotham Advisors, Inc. - Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

Zweig-DiMenna Special Opportunities, L.P.-53,300
Zweig-DiMenna International Limited-522,700
Zweig-DiMenna International Managers, Inc., on behalf of a discretionary
account-115,400
Zweig-DiMenna Partners, L.P.-85,000
Gotham Advisors, Inc., on behalf of a discretionary account-65,100

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

Zweig-DiMenna Special Opportunities, L.P.-53,300
Zweig-DiMenna International Limited-522,700
Zweig-DiMenna International Managers, Inc., on behalf of a discretionary
account-115,400
Zweig-DiMenna Partners, L.P.-85,000
Gotham Advisors, Inc., on behalf of a discretionary account-65,100

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Zweig-DiMenna Special Opportunities, L.P.-53,300
Zweig-DiMenna International Limited-522,700
Zweig-DiMenna International Managers, Inc., on behalf of a discretionary
account-115,400
Zweig-DiMenna Partners, L.P.-85,000
Gotham Advisors, Inc., on behalf of a discretionary account-65,100

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

Total-5.7%

Zweig-DiMenna Special Opportunities, L.P.-0.4%
Zweig-DiMenna International Limited-3.5%
Zweig-DiMenna International Managers, Inc., on behalf of a discretionary
account-0.8%
Zweig-DiMenna Partners, L.P.-0.6%
Gotham Advisors, Inc., on behalf of a discretionary account-0.4%

14 TYPE OF REPORTING PERSON*

Zweig-DiMenna Special Opportunities, L.P. - PN
Zweig-DiMenna Partners, L.P. - PN
Zweig-DiMenna International Limited - CO
Zweig-DiMenna International Managers, Inc. - CO
Gotham Advisors, Inc. - CO

SCHEDULE 13D - AMENDMENT NO. 2

Zweig-DiMenna Special Opportunities, L.P., Zweig-DiMenna International Limited, Zweig-DiMenna Partners, L.P., Zweig-DiMenna International Managers, Inc. and Gotham Advisors, Inc. hereby amend the Schedule 13D, filed with respect to shares of common stock, par value \$.01 per share ("Shares") of Redwood Trust, Inc.

ITEM 3 SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATIONS

The first sentence of Item 3 is amended to read as follows:

"The securities of Redwood Trust, Inc. were purchased at an aggregate cost of \$34,595,874 with the investment capital of Zweig-DiMenna Special Opportunities, L.P., Zweig-DiMenna International Limited, Zweig-DiMenna Partners, L.P., the discretionary account managed by Zweig-DiMenna International Managers, Inc. (the "ZDIM Account") and the discretionary account managed by Gotham Advisors, Inc. (the "Gotham Account")."

ITEM 5 INTEREST IN SECURITIES OF THE ISSUER

The answer to Item 5 is amended to read as follows:

a. Aggregate number of shares beneficially owned:

| <TABLE> <CAPTION> | |
|---|-----------|
| <S> | <C> <C> |
| Zweig-DiMenna Special Opportunities, L.P. | - 53,300 |
| Zweig-DiMenna International Limited | - 522,700 |
| Zweig-DiMenna Partners, L.P. | - 85,000 |
| ZDIM Account | - 115,400 |
| Gotham Account | - 65,100 |
| Percent of class beneficially owned: | |
| Zweig-DiMenna Special Opportunities, L.P. | - 0.4% |
| Zweig-DiMenna International Limited | - 3.5% |
| Zweig-DiMenna Partners, L.P. | - 0.6% |
| ZDIM Account | - 0.8% |
| Gotham Account | - 0.4% |

</TABLE>

b. Number of shares as to which there is sole power to vote:

| <TABLE> <CAPTION> | |
|---|-----------|
| <S> | <C> <C> |
| Zweig-DiMenna Special Opportunities, L.P. | - 53,300 |
| Zweig-DiMenna International Limited | - 522,700 |
| Zweig-DiMenna Partners, L.P. | - 85,000 |
| ZDIM Account | - 115,400 |
| Gotham Account | - 65,100 |
| Number of shares as to which there is shared power to vote or to direct the vote: | |
| Zweig-DiMenna Special Opportunities, L.P. | - 0 |
| Zweig-DiMenna International Limited | - 0 |
| Zweig-DiMenna Partners, L.P. | - 0 |
| ZDIM Account | - 0 |
| Gotham Account | - 0 |

Number of shares as to which there is sole power to dispose or to direct the disposition:

| | | |
|---|---|---------|
| Zweig-DiMenna Special Opportunities, L.P. | - | 53,300 |
| Zweig-DiMenna International Limited | - | 522,700 |
| Zweig-DiMenna Partners, L.P. | - | 85,000 |
| ZDIM Account | - | 115,400 |
| Gotham Account | - | 65,100 |

Number of shares as to which there is shared power to dispose or to direct the disposition:

| | | |
|---|---|---|
| Zweig-DiMenna Special Opportunities, L.P. | - | 0 |
| Zweig-DiMenna International Limited | - | 0 |

</TABLE>

<TABLE>
<CAPTION>
<S>

| | | |
|------------------------------|-----|-----|
| Zweig-DiMenna Partners, L.P. | <C> | <C> |
| | - | 0 |
| ZDIM Account | - | 0 |
| Gotham Account | - | 0 |

</TABLE>

c. Since August 15, 1997, the date of our last 13D filing for Redwood Trust, Inc., Zweig-DiMenna Special Opportunities, L.P., Zweig-DiMenna International Limited, Zweig-DiMenna Partners, L.P., the ZDIM Account and the Gotham Account purchased and/or sold the Shares on the open market on the following dates and at the following prices and in the following amounts:

ZWEIG-DIMENNA SPECIAL OPPORTUNITIES, L.P.

| DATE | DESCRIPTION OF TRANSACTION |
|---------|---|
| 8/15/97 | Purchased 2,000 shares at \$37.4825 a share |
| 8/15/97 | Purchased 700 shares at \$37.50 a share |
| 8/18/97 | Purchased 700 shares at \$37.50 a share |
| 8/19/97 | Purchased 700 shares at \$37.50 a share |
| 8/19/97 | Purchased 700 shares at \$37.625 a share |
| 9/8/97 | Purchased 700 shares at \$31.8750 a share |
| 9/8/97 | Sold 1,300 shares at \$29.3125 a share |
| 9/8/97 | Sold 4,700 shares at \$29.4716 a share |
| 9/8/97 | Sold 10,000 shares at \$29.4167 a share |
| 9/9/97 | Sold 36,100 shares at \$28.6394 a share |
| 9/9/97 | Sold 19,900 shares at \$28.6071 a share |
| 9/10/97 | Sold 1,900 shares at \$29.00 a share |
| 9/10/97 | Sold 44,400 shares at \$28.7446 a share |

ZWEIG-DIMENNA INTERNATIONAL LIMITED

| DATE | DESCRIPTION OF TRANSACTION |
|---------|---|
| 8/15/97 | Purchased 7,300 shares at \$37.4825 a share |
| 8/15/97 | Purchased 2,400 shares at \$37.50 a share |
| 8/18/97 | Purchased 2,400 shares at \$37.50 a share |
| 8/19/97 | Purchased 2,400 shares at \$37.50 a share |
| 8/19/97 | Purchased 2,400 shares at \$37.625 a share |
| 9/8/97 | Purchased 2,400 shares at \$31.8750 a share |
| 9/8/97 | Sold 4,800 shares at \$29.3125 a share |
| 9/8/97 | Sold 16,800 shares at \$29.4716 a share |
| 9/8/97 | Sold 36,100 shares at \$29.4167 a share |

9/9/97 Sold 23,500 shares at \$28.6394 a share
9/9/97 Sold 11,800 shares at \$28.6071 a share

ZWEIG-DIMENNA PARTNERS, L.P.

| DATE | DESCRIPTION OF TRANSACTION |
|---------|---|
| 8/15/97 | Purchased 3,200 shares at \$37.4825 a share |
| 8/15/97 | Purchased 1,100 shares at \$37.50 a share |
| 8/18/97 | Purchased 1,100 shares at \$37.50 a share |
| 8/19/97 | Purchased 1,100 shares at \$37.50 a share |
| 8/19/97 | Purchased 1,100 shares at \$37.625 a share |
| 9/8/97 | Purchased 1,100 shares at \$31.8750 a share |
| 9/8/97 | Sold 2,200 shares at \$29.3125 a share |
| 9/8/97 | Sold 7,600 shares at \$29.4716 a share |
| 9/8/97 | Sold 16,200 shares at \$29.4167 a share |
| 9/9/97 | Sold 59,700 shares at \$28.6394 a share |
| 9/9/97 | Sold 32,600 shares at \$28.6071 a share |
| 9/10/97 | Sold 3,100 shares at \$29.00 a share |
| 9/10/97 | Sold 70,600 shares at \$28.7446 a share |

ZDIM ACCOUNT

| DATE | DESCRIPTION OF TRANSACTION |
|---------|---|
| 8/15/97 | Purchased 1,600 shares at \$37.4825 a share |
| 8/15/97 | Purchased 500 shares at \$37.50 a share |
| 8/18/97 | Purchased 500 shares at \$37.50 a share |
| 8/19/97 | Purchased 500 shares at \$37.50 a share |
| 8/19/97 | Purchased 500 shares at \$37.625 a share |
| 9/8/97 | Purchased 500 shares at \$31.8750 a share |
| 9/8/97 | Sold 1,100 shares at \$29.3125 a share |
| 9/8/97 | Sold 3,800 shares at \$29.4716 a share |
| 9/8/97 | Sold 8,200 shares at \$29.4167 a share |
| 9/9/97 | Sold 7,300 shares at \$28.6394 a share |
| 9/9/97 | Sold 3,900 shares at \$28.6071 a share |

GOTHAM ACCOUNT

| DATE | DESCRIPTION OF TRANSACTION |
|---------|---|
| 8/15/97 | Purchased 900 shares at \$37.4825 a share |
| 8/15/97 | Purchased 300 shares at \$37.50 a share |
| 8/18/97 | Purchased 300 shares at \$37.50 a share |
| 8/19/97 | Purchased 300 shares at \$37.50 a share |
| 8/19/97 | Purchased 300 shares at \$37.625 a share |
| 9/8/97 | Purchased 300 shares at \$31.8750 a share |
| 9/8/97 | Sold 600 shares at \$29.3125 a share |
| 9/8/97 | Sold 2,100 shares at \$29.4716 a share |
| 9/8/97 | Sold 4,500 shares at \$29.4167 a share |
| 9/9/97 | Sold 3,400 shares at \$28.6394 a share |

9/9/97 Sold 1,800 shares at \$28.6071 a share

d. Not Applicable

e. Not Applicable

SIGNATURE

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: September 11, 1997

ZWEIG-DIMENNA SPECIAL OPPORTUNITIES, L.P.

By: Zweig-DiMenna Associates LLC,
Managing General Partner

By: /s/ Joseph A. DiMenna

Name: Joseph A. DiMenna
Title: A Managing Director of the Managing
General Partner

ZWEIG-DIMENNA INTERNATIONAL LIMITED

By: Zweig-DiMenna International Managers, Inc.,
Investment Manager

By: /s/ Joseph A. DiMenna

Name: Joseph A. DiMenna
Title: Executive Vice President

ZWEIG-DIMENNA PARTNERS, L.P.

By: Zweig-DiMenna Associates LLC,
Managing General Partner

By: /s/ Joseph A. DiMenna

Name: Joseph A. DiMenna
Title: A Managing Director of the Managing
General Partner

ZWEIG-DIMENNA INTERNATIONAL MANAGERS, INC.

By: /s/ Joseph A. DiMenna

Name: Joseph A. DiMenna
Title: Executive Vice President

GOTHAM ADVISORS, INC.

By: /s/ Joseph A. DiMenna

Name: Joseph A. DiMenna
Title: Vice President