

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

SCHEDULE 13D

Amendment No. 3

Under the Securities Exchange Act of 1934*

Redwood Trust, Inc.

(Name of Issuer)

Common Stock, Par Value \$0.01 per share

(Title of Class of Securities)

758075402

(CUSIP Number)

George F. Hamel, Jr.
ValueAct Capital Partners
One Maritime Plaza, Suite 1400
San Francisco, CA 94111
(415) 362-3700

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

June 12, 2002

(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 that is the subject of this Schedule 13D, and is filing this schedule because of Rule 240.13d-1(b)(e), 240.13d-1(f) or 240.13d-1(g) check the following box [].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7(b) 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 on 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

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Capital Partners, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH 8. SHARED VOTING POWER 584,224** 9. SOLE DISPOSITIVE POWER 0 10. SHARED DISPOSITIVE POWER 584,224**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

584,224**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.8%

14. TYPE OF REPORTING PERSON

PN

**See Items 2 and 5

*SEE INSTRUCTIONS BEFORE FILLING OUT! INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION. SCHEDULE 13D

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

ValueAct Capital Partners II, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X] (b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER 0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH 8. SHARED VOTING POWER 51,367** 9. SOLE DISPOSITIVE POWER 0 10. SHARED DISPOSITIVE POWER 51,367**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

51,367**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.3%

14. TYPE OF REPORTING PERSON

PN

**See Items 2 and 5

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INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Capital International, Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

7. SOLE VOTING POWER
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER
5,309**

9. SOLE DISPOSITIVE POWER
0

10. SHARED DISPOSITIVE POWER
5,309**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,309**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.034%

14. TYPE OF REPORTING PERSON

PN

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

VA Partners, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER
0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH
8. SHARED VOTING POWER
640,900**

9. SOLE DISPOSITIVE POWER
0

10. SHARED DISPOSITIVE POWER
640,900*

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

640,900**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.1%

14. TYPE OF REPORTING PERSON

00 (LLC)

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

Jeffrey W. Ubben

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER
20,000

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH
8. SHARED VOTING POWER
640,900**

9. SOLE DISPOSITIVE POWER
20,000

10. SHARED DISPOSITIVE POWER
640,900**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

660,900**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.3%

14. TYPE OF REPORTING PERSON

IN

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

George F. Hamel, Jr.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

[]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER

640,900**

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

640,900**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

640,900**

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

[]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.1%

14. TYPE OF REPORTING PERSON

IN

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

Peter H. Kamin

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

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

[]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER
0
NUMBER OF
SHARES -----
BENEFICIALLY 8. SHARED VOTING POWER
OWNED BY EACH 640,900**
PERSON WITH -----
9. SOLE DISPOSITIVE POWER
0

10. SHARED DISPOSITIVE POWER
640,900**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

640,900**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.1%

14. TYPE OF REPORTING PERSON

IN

**See Items 2 and 5

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ATTESTATION.

THIS AMENDMENT NO. 3 TO SCHEDULE 13D AMENDS THE SCHEDULE 13D FILED BY THE REPORTING PERSONS WITH RESPECT TO THE ISSUER, AS LAST AMENDED BY AMENDMENT NO. 2 THERETO FILED ON JUNE 6, 2002. THE INFORMATION BELOW SUPPLEMENTS THE INFORMATION PREVIOUSLY PROVIDED.

ITEM 1. SECURITY AND ISSUER.

This statement relates to shares of Common Stock, par value \$0.01 per share (the "Common Stock"), of Redwood Trust, Inc. (the "Issuer"). The principal executive office of the Issuer is located at 591 Redwood Highway, Suite 3100, Mill Valley, California 94961.

ITEM 2. IDENTITY AND BACKGROUND.

(a), (b), (c) and (f). This Statement is filed jointly by (a) ValueAct Capital Partners, L.P. ("ValueAct Partners"), (b) ValueAct Capital Partners II, L.P. ("ValueAct Partners II"), (c) ValueAct Capital International, Ltd. ("ValueAct International"), (d) VA Partners, L.L.C. ("VA Partners"), (e) Jeffrey W. Ubben, (f) George F. Hamel, Jr. and (g) Peter H. Kamin (collectively, the "Reporting Persons").

ValueAct Partners and ValueAct Partners II are each Delaware limited partnerships. ValueAct International is a Company organized in the British Virgin Islands. The principal business of each entity is investing in securities. Each has a principal business address of One Maritime Plaza, Suite 1400, San Francisco, California 94111.

VA Partners is a Delaware limited liability company, the principal business of which is to render investment management services to ValueAct International and to serve as the General Partner of ValueAct Partners and ValueAct Partners II. VA Partners has a principal business address of One Maritime Plaza, Suite 1400, San Francisco, California 94111.

(a), (b) and (c). Messrs. Ubben, Hamel and Kamin are each managing members, principal owners and controlling persons of VA Partners, and directors and principal executive officers of ValueAct International, and such activities constitute their principal occupations. Such individuals are sometimes collectively referred to herein as the "Managing Members" or individually as a "Managing Member". Each Managing Member is a United States citizen and has a principal business address of One Maritime Plaza, Suite 1400, San Francisco, California 94111.

(d) and (e). None of the entities or persons identified in this Item 2 has during the past five years been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors), nor been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a), (b). Set forth below is the beneficial ownership of shares of Common Stock of the Issuer for each person named in Item 2. Shares reported as beneficially owned by each of ValueAct Partners, ValueAct Partners II and ValueAct International are also reported as beneficially owned by VA Partners, as investment manager or General Partner of each of such investment partnerships, and by the Managing Members as controlling persons of the General Partner. VA Partners and the Managing Members also, directly or indirectly, may own interests in one or both of such partnerships from time to time. Unless otherwise indicated below, by reason of such relationships each of the partnerships is reported as having shared power to vote or to direct the vote, and shared power to dispose or direct the disposition of, such shares of Common Stock with VA Partners and the Managing Members.

ValueAct Partners is the beneficial owner of 584,224 shares of Common Stock, representing approximately 3.8% of the Issuer's outstanding Common Stock. ValueAct Partners II is the beneficial owner of 51,367 shares of Common Stock, representing less than 1% of the Issuer's outstanding Common Stock. ValueAct International is the beneficial owner of 5,309 shares of Common Stock, representing less than 1% of the Issuer's outstanding Common Stock. VA Partners and each of George F. Hamel, Jr. and Peter H. Kamin may be deemed the beneficial owner of an aggregate of 640,900 shares of Common Stock, representing approximately 4.1% of the Issuer's outstanding Common Stock. Jeffrey W. Ubben may be deemed the beneficial owner of an aggregate of 660,900 shares of Common Stock, representing approximately 4.3% of the Issuer's outstanding Common Stock. Mr. Ubben owns 20,000 of these shares of Common Stock in his individual capacity. All percentages set forth in this Schedule 13D are based upon 15,478,484 outstanding shares of Common Stock as of June 20, 2002.

(c) Since the filing of the last 13D amendment, the Reporting Persons sold the following shares of Common Stock in the open market.

Reporting Person	Trade Date	Shares	Price/Share
-----	-----	-----	-----
ValueAct Partners	06-06-02	35,870	\$29.25
	06-07-02	26,010	\$29.38
	06-10-02	22,865	\$29.30
	06-11-02	35,955	\$29.22
	06-12-02	44,115	\$29.23
	06-13-02	29,750	\$29.25
	06-14-02	34,000	\$29.32
	06-14-02	21,250	\$29.25
	06-17-02	63,750	\$29.36
	06-18-02	44,030	\$29.51
	06-18-02	10,000	\$29.55
	06-19-02	85,000	\$29.42
	ValueAct Partners II	06-06-02	2,954
06-07-02		2,142	\$29.38
06-10-02		1,883	\$29.30
06-11-02		2,961	\$29.22
06-12-02		3,633	\$29.23
	06-13-02	2,450	\$29.25
	06-14-02	2,800	\$29.32
	06-14-02	1,750	\$29.25
	06-17-02	5,250	\$29.36
	06-18-02	3,626	\$29.51
	06-18-02	700	\$29.55
	06-19-02	7,000	\$29.42
ValueAct International	06-06-02	3,376	\$29.25
	06-07-02	2,448	\$29.38
	06-10-02	2,152	\$29.30
	06-11-02	3,384	\$29.22
	06-12-02	4,152	\$29.23
	06-13-02	2,800	\$29.25
	06-14-02	3,200	\$29.32
	06-14-02	2,000	\$29.25
	06-17-02	6,000	\$29.36
	06-18-02	4,144	\$29.51
06-18-02	800	\$29.55	

(d) and (e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Other than as described elsewhere in this Report, the Reporting Persons have no understandings, arrangements, relationships or contracts relating to the Issuer's Common Stock which are required to be described thereunder.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

1. Joint Filing Agreement

SIGNATURES

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.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below on this Schedule 13D hereby constitutes and appoints Jeffrey W. Ubben, George F. Hamel, Jr. and Peter H. Kamin, and each of them, with full power to act without the other, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (until revoked in writing) to sign any and all amendments to this Schedule 13D, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary fully to all intents and purposes as he might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

ValueAct Capital Partners L.P., by
VA Partners, L.L.C., its General Partner

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

ValueAct Capital Partners II L.P., by
VA Partners, L.L.C., its General Partner

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

ValueAct Capital International, Ltd., by
VA Partners, L.L.C., its investment manager

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

VA Partners, L.L.C.

By: /s/ George F. Hamel, Jr.

Dated: June 21, 2002 George F. Hamel, Jr., Managing Member

By: /s/ Jeffrey W. Ubben

Jeffrey W. Ubben, Managing Member

Dated: June 21, 2002

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

By: /s/ Peter H. Kamin

Peter H. Kamin, Managing Member

Dated: June 21, 2002

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Exhibit A
JOINT FILING UNDERTAKING

The undersigned parties hereby agree that the Schedule 13D filed herewith (and any amendments thereto) relating to the Common Stock of Redwood Trust Inc. is being filed jointly on behalf of each of them with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended.

ValueAct Capital Partners L.P., by
VA Partners, L.L.C., its General Partner

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

ValueAct Capital Partners II L.P., by
VA Partners, L.L.C., its General Partner

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

ValueAct Capital International, Ltd., by
VA Partners, L.L.C., its investment manager

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

VA Partners, L.L.C.

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

By: /s/ Jeffrey W. Ubben

Jeffrey W. Ubben, Managing Member

Dated: June 21, 2002

By: /s/ George F. Hamel, Jr.

George F. Hamel, Jr., Managing Member

Dated: June 21, 2002

By: /s/ Peter H. Kamin

Peter H. Kamin, Managing Member

Dated: June 21, 2002

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