longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

**OMB APPROVAL** 3235-0287 OMB Number: Estimated average burden hours per response.. 0.5

### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type	Responses)																				
1. Name and Address of Reporting Person * NICHOLAS BRETT D						2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]										5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner					
(Last) (First) (Middle)  1 BELVEDERE PLACE, SUITE 300					3. Date of Earliest Transaction (Month/Day/Year) 10/21/2004										X_Officer (give title below) Other (specify below)  Vice President						
(Street) MILL VALLEY, CA 94941				4.	4. If Amendment, Date Original Filed(Month/Day/Year)									_X_ F	6. Individual or Joint/Group FilingCheck Applicable Line) Form filed by One Reporting PersonForm filed by More than One Reporting Person						
(City) (State) (Zip)					Table I - Non-Derivative Securities Acqui									Acquired,	lired, Disposed of, or Beneficially Owned						
(Instr. 3) Dat			2. Transaction Date (Month/Day/Ye	ar) I	2A. Deemed Execution Date, (1) any (Month/Day/Yea		ate, if	(Instr. 8)		(A) or Disposed		d of	(D) Owner Trans	Amount of Securities Beneficially wned Following Reported ransaction(s)		Ownership Form:	7. Nature of Indirect Beneficial Ownership				
										V	Amo	(A) (D)		Price	ĺ			or Indirect (I) (Instr. 4)			
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security			3A. Deemed Execution Date, it		(e.g., puts, calls  4. Transaction Code r) (Instr. 8)		5. Nur of Der Securi Acqui	s, warrants, of Number of Derivative Securities Acquired (A) or Disposed		Expiration Date of Un (Month/Day/Year) Secu			cially Own	Amount	Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following	Owners Form of	ve Ownersh : (Instr. 4)		
								(Instr. and 5)			ate xercisa		Expiration Date		Title	Amount or Number of		Reported Transaction(s (Instr. 4)	or Indire (I) (Instr. 4		
Dividend Equivalent Right	\$ 60.60	10/21	/2004			Code	V	(A) 289.8		O)	(1)	1	12/10/20	013	Common Stock	Shares 289.81	\$ 0	289.81	D		
Report	ing Owner Na		Director	Relati	ionsh	•		Oth	her												

## **Signatures**

SUITE 300

NICHOLAS BRETT D 1 BELVEDERE PLACE

MILL VALLEY, CA 94941

By: Harold F. Zagunis For: Brett D. Nicholas	10/25/2004		
**Signature of Reporting Person	Date		

# **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).

Vice President

(1) Twenty-five percent of the options vest on January 1, 2005. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2005 through January 1, 2008.

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.	
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