FORM 4

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

OMB APP	PROVAL
OMB Number:	3235-0287
Estimated average	e burden
hours per respons	e 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

e Responses)													
Name and Address of Reporting Person *- ICHOLAS BRETT D				2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]					5. 1	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner				
(Last) (First) (Middle) BELVEDERE PLACE, SUITE 300				3. Date of Earliest Transaction (Month/Day/Year) 12/10/2004					_X	X_Officer (give title below) Other (specify below) Vice President				
	(Street)		4. If An	nend	lment, Date	Origi	ginal Filed(Month/Day/Year)			6. Individual or Joint/Group Filing/Check Applicable Line) X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
		(Zin)												
		_							-	•				
(Instr. 3) Date		Date	Execution any		Date, if Code (Instr. 8		(A) or Disposed of (D)		of (D) Ow Tra	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)			Ownership Form:	Beneficial
			(A) or		Price	(Instr. 3 and 4)			r Indirect I)	Ownership (Instr. 4)				
Report on a se	eparate line for each	class of securities be	eneficial	ly ov	wned directl	y or i			d 40 400 00	llastian of	info	t-id	SEC 1	474 (0.02)
							in this f	orm are not re	equired to	respond ur				4/4 (9-02)
		Table II								ned				
Derivative Conversion Date		any	Code		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Expiration Date (Month/Day/Year)		7. Title an Underlyin	Underlying Securities		Derivative Securities Beneficially Owned Following Reported	Ownersh Form of Derivativ Security: Direct (Dor Indirect)) [
			Code	V	(A)	(D)		Expiration Date	Title	Amount or Number of Shares		(Instr. 4)	(Instr. 4)	
\$ 0	12/10/2004		A		2,406.92		(1)	12/10/2014	Common Stock	n 2,406.92	\$ 0	2,406.92	D	
	ALLEY, C. Conversion or Exercise Price of Derivative Security	AS BRETT D (First) EDERE PLACE, SUITE 30 (Street) ALLEY, CA 94941 () (State) Eccurity 2. Conversion or Exercise Price of Derivative Security	AS BRETT D (First) (Middle) EDERE PLACE, SUITE 300 (Street) ALLEY, CA 94941 (Cip) Ecurity Courity 2. Transaction Date (Month/Day/Year) Table H 2. Conversion or Exercise Price of Derivative Security 3. Transaction Date (Month/Day/Year) (Month/Day/Year)	AS BRETT D (First) (Code (Code ACCODER PLACE, SUITE 300 (Street) (ALLEY, CA 94941 (Code (Code	AS BRETT D (First) (DERE PLACE, SUITE 300 (Street) ALLEY, CA 94941 (Code Price of Derivative Security (Month/Day/Year) (A) (State) (Code V) (Code V	AS BRETT D (First) (DERE PLACE, SUITE 300 (Street) (Street) (Street) (State) (State) (Cip) (Code) (Code)	As BRETT D (Middle) (Street) ALLEY, CA 94941 (State) (State) (Street) (Month/Day/Year) (Alley or Exercise Price of Derivative Security (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Alley CA 94941 (Alley CA 94941 (Alley Capened Execution Date, if Capened any (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Alley CA 94941 (Alley Capened Execution Date, if Capened Execution	Address of Reporting Person AS BRETT D 2. Issuer Name and Ticker or Trading SREDWOOD TRUST INC [RWT] 3. Date of Earliest Transaction (Month/Diz/10/2004) 4. If Amendment, Date Original Filed(Month/Day/Year) Code V ARCEPORT ON ALLEY, CA 94941 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Azecution Date, if Quinting Annual Code (Azecution Day/Year) 2. Transaction Date (Azecution Day/Year) 3. Transaction Date (Azecution Date, if Quinting Azecution Date, if	Address of Reporting Person 2 AS BRETT D O (First) O (First) O (Street) ALLEY, CA 94941 O (State) C (A) or Disposed of (Instr. 8) C (Instr. 8) C (A) or Disposed of (Instr. 8) C (State) C (A) or Disposed of (Instr. 8) C (State) C (A) or Disposed of (Instr. 8) C (A) or Disposed of (Inst	Address of Reporting Person AS BRETT D 2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT] 3. Date of Earliest Transaction (Month/Day/Year) 4. If Amendment, Date Original Filed(Month/Day/Year) (Street) 4. If Amendment, Date Original Filed(Month/Day/Year) (State) 2. Transaction Date (Month/Day/Year) 2. Transaction (Month/Day/Year) (Month/Day/Year) 2. Transaction (Month/Day/Year) 2. Transaction (Month/Day/Year) (Month/Day/Year) 2. Transaction (Month/Day/Year) 2. Transaction (Month/Day/Year) (Month/Day/Year) 2. Transaction (Month/Day/Year) 3. Transaction (Instr. 8) 2. Transaction (Month/Day/Year) 2. Transaction (Month/Day/Year) 3. Transaction (Instr. 8) 2. Transaction (Month/Day/Year) 2. Transaction (Month/Day/Year) 3. Transaction (Instr. 8) 2. Transaction (Instr. 8) 2. Transaction (Instr. 8) 3. Transaction (Instr. 8) 4. Securities Acquired (A) or Disposed of (D) (Instr. 8) 5. Number of (Date Exercisable and Execution Date, if any (Instr. 8) 4. Transaction (Month/Day/Year) 2. Transaction (Instr. 8) 3. Transaction (Instr. 8) 4. Securities Acquired (A) or Disposed of (D) (Instr. 8) 5. Number of (Date Exercisable and Exercisable and Exercisable Date (Month/Day/Year) 4. Transaction (Month/Day/Year) 4. Transaction (Month/Day/Year) 5. Munderlyin (Month/Day/Year) 6. J. Transaction (Month/Day/Year) 6. Date Exercisable Date (Month/Day/Year) 6. Date Exercisable Date	Address of Reporting Person - AS BRETT D REDWOOD TRUST INC [RWT] (Street) (Street) (Street) (ALLEY, CA 94941 (Street) (State) (State) (State) (State) (State) (State) (State) (A) (Cap) (Cap) (Cap) (Cap) (Cap) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (A) (Code V Amount (A) or (D) Price (G.g., puts, calls, warrants, options, convertible securities) (Instr. 3) (Month/Day/Year) (Month/Day/Ye	Address of Reporting Person ** AS BRETT D (Middle) (DERE PLACE, SUITE 300 (Street) (Month/Day/Year) (Mon	2. Issuer Name and Ticker or Trading Symbol AS BRETT D (First) (DERE PLACE, SUITE 300 (Street) 4. If Amendment, Date Original Filed(Month/Day/Year) (State) (A) Original Filed(Month/Day/Year) (State) (A) Original Filed(Month/Day/Year) (State) (A) Original Filed(Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (A) Original Filed(Month/Day/Year) (Instr. 8) (Instr. 3, and 4) (Instr.	2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT] 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Discourt (Check all applicable Discourt (Check all applicable) Discourt (Check all applicable Discourt (Check all applicable Discourt (Check all applicable Discourt (Check all applic

D. C. O. N	Relationships						
Reporting Owner Name / Address	Director	10% Owner	Officer	Other			
NICHOLAS BRETT D 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941			Vice President				

Signatures

Brett D. Nicholas	12/14/2004
**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).
- (1) Twenty-five percent of the options vest on January 1, 2005. The remaining seventy-five percent of the shares vest in twelve quarterly installments from April 1, 2005 through January 1, $\frac{1}{2008}$.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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.