

FORM 4

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

OMB APPROVAL	
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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

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

(Print or Type Responses)

1. Name and Address of Reporting Person * ZAGUNIS HAROLD F		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 _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ Chief Financial Officer	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 11/21/2003		
408 SAN ANDREAS DR			4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing Check Applicable Line <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(Street) NOVATO, CA 94945			(City)		(State)
(Zip)					

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/21/2003		M		10,000	A	\$ 17.38	14,427	D	
Common Stock	11/21/2003		S		10,000	D	\$ 55.6645	4,427	D	
Common Stock	11/21/2003		M		8,411	A	\$ 18.25	12,838	D	
Common Stock	11/21/2003		S		8,411	D	\$ 55.6645	4,427	D	
Common Stock	11/21/2003		M		7,455.57	A	\$ 0	11,882.57	D	
Common Stock	11/21/2003		S		7,455.57	D	\$ 55.6645	4,427	D	
Common Stock	11/21/2003		M		6,140.24	A	\$ 0	10,567.24	D	
Common Stock	11/21/2003		S		6,140.24	D	\$ 55.6645	4,427	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Dividend Equivalent Right	\$ 0	11/21/2003		M		7,455.57	(U)	08/08/2005	Common Stock	7,455.57	\$ 0	0	D	
Dividend Equivalent Right	\$ 0	11/21/2003		M		6,140.24	(U)	12/15/2005	Common Stock	6,140.24	\$ 0	0	D	
Non-Qualified Stock Option (right to buy)	\$ 17.38	11/21/2003		M		10,000	(U)	08/08/2005	Common Stock	10,000	\$ 0	0	D	

Non-Qualified Stock Option (right to buy)	\$ 18.25	11/21/2003		M			8,411	(U)	12/15/2005	Common Stock	8,411	\$ 0	0	D
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZAGUNIS HAROLD F 408 SAN ANDREAS DR NOVATO, CA 94945			Chief Financial Officer	

Signatures

Harold F. Zagunis	11/24/2003
<small>Signature of Reporting Person</small>	<small>Date</small>

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) Options are currently exercisable

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.