FORM	4
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Check this box if no
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 OMB Number: 3235-0287 Estimated average burden hours per response... 0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

orm 5 obligations may Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment nstruction 1(b). Company Act of 1940

(Print or Type Response	s)											
1. Name and Address of Reporting Person [*] – BAUM RICHARD			2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]						5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner			
(Last) 572 SUMMIT AVI	(First) ENUE		3. Date of Earliest Transaction (Month/Day/Year) 05/06/2005						Officer (give title below)Oth	er (specify below	N)	
MILL VALLEY, C	4	4. If Amendment, Date Original 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				
(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. Transacti Code (Instr. 8)		(A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	Form:	7. Nature of Indirect Beneficial Ownership	
			(wonth Day Tear)	Code	V	Amount	(A) or (D)	Price	× ,	or Indirect (I) (Instr. 4)	-	

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 SEC 1474 (9-02) this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (a.g., puts, calls, warrants, antions, convertible scenarities)

(<i>e.g.</i> , puts, caus, warrants, options, convertible securities)														
2.	3. Transaction	3A. Deemed	4.		5. Number	of	6. Date Exer	cisable	7. Title and	Amount of	8. Price of	9. Number of	10.	11. Nature
Conversion	Date	Execution Date, if	Transact	ion	Derivative		and Expirati	on Date	Underlying	Securities	Derivative	Derivative	Ownership	of Indirect
or Exercise	(Month/Day/Year)	any	Code		Securities		(Month/Day	/Year)	(Instr. 3 and	4)	Security	Securities	Form of	Beneficial
Price of		(Month/Day/Year)	(Instr. 8))	Acquired (A	A)					(Instr. 5)	Beneficially	Derivative	Ownership
Derivative					or Disposed	lof				Owned	Security:	(Instr. 4)		
Security					(D)							Following	Direct (D)	· · · ·
-					(Instr. 3, 4,	and						Reported	or Indirect	
					5)							Transaction(s)	(I)	
					-							(Instr. 4)	(Instr. 4)	
							Dete	E				` ´ ´	` ´	
							Date	Expiration	Title	-				
			0.1	* 7			Exercisable	Date						
			Code	V	(A)	(D)				of Shares				
1														
-									Common					
\$ 53.15	05/06/2005		Α		1,128.88		(1)	(2)	Common	1,128.88	\$ 0	1,128.88	D	
1									Stock					
	Conversion or Exercise Price of Derivative Security	Conversion or Exercise Price of Derivative Security 1 8 53 15 05/06/2005	2. 3. Transaction 3A. Deemed Conversion or Exercise Date Execution Date, if (Month/Day/Year) Price of Derivative Security (Month/Day/Year) (Month/Day/Year) 1 \$ 53, 15 05/06/2005	2. 3. Transaction Date 3A. Deemed 4. Conversion or Exercise (Month/Day/Year) any Code Price of Derivative Security (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) Image: Code Code Code Image: Code Code Code	2. 3. Transaction Date 3A. Deemed 4. Execution Date, if any Or Exercise Price of Derivative Security (Month/Day/Year) (Month/Day/Year) Month/Day/Year) (Month/Day/Year) (Month/Day/Year) Code V Code V Code V A A A	2. 3. Transaction 3A. Deemed 4. 5. Number Conversion Date (Month/Day/Year) any Code Code Price of Derivative (Month/Day/Year) (Month/Day/Year) (Instr. 8) Securities Security Code Code (Instr. 8) Code (Instr. 3, 4, 5) 1 \$ 53 15 05/06/2005 A 1 128 88	2. 3. 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Reporting Owners

	Relationships						
Reporting Owner Name / Address	Director	10% Owner	Officer	Other			
BAUM RICHARD 572 SUMMIT AVENUE MILL VALLEY, CA 94941	Х						

Signatures

By: Harold F. Zagunis For: Richard Baum	05/06/2005
**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) Shares will be delivered to the Participant at the time provided in the Deferral Election but no sooner than May 1, 2009 (except in the event of separation of service at which time delivery of shares shall be governed by the terms of the Deferral Election)
- (2) No expiration.

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.