

REDWOOD TRUST INC
Form 4
November 22, 2006

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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HANSEN DOUGLAS B

2. Issuer Name and Ticker or Trading Symbol
REDWOOD TRUST INC [RWT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

3. Date of Earliest Transaction (Month/Day/Year)
11/20/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

MILL VALLEY, CA 94941

(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	11/20/2006	11/20/2006	S		7,900	D	\$ 59.0803
Common Stock	11/20/2006		M		40,736	A	\$ 45
Common Stock	11/20/2006		F		31,101	D	\$ 58.94
Common Stock	11/20/2006		F		3,733	D	\$ 58.94
Common Stock	11/20/2006		M		36,750	A	\$ 11.4375

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Common Stock	11/20/2006	F	7,131	D	\$ 58.94	168,884	D
Common Stock	11/20/2006	F	11,477	D	\$ 58.94	157,407	D
Common Stock	11/20/2006	M	14,690	A	\$ 24.5	172,097	D
Common Stock	11/20/2006	F	6,106	D	\$ 58.94	165,991	D
Common Stock	11/20/2006	F	3,326	D	\$ 58.94	162,665	D
Common Stock	11/20/2006	M	38,853	A	\$ 27.05	201,518	D
Common Stock	11/20/2006	F	17,831	D	\$ 58.94	183,687	D
Common Stock	11/20/2006	F	8,145	D	\$ 58.94	175,542	D
Common Stock	11/20/2006	M	100,000	A	\$ 37.75	275,542	D
Common Stock	11/20/2006	F	64,048	D	\$ 58.94	211,494	D
Common Stock	11/20/2006	F	13,931	D	\$ 58.94	197,563	D

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

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(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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 11.4375	11/20/2006		M		36,750	12/02/1999 12/02/2009	Common Stock
Non-Qualified Stock Option	\$ 24.5	11/20/2006		M		14,690	12/17/2001 ⁽¹⁾ 12/17/2011	Common Stock

(right to buy)

Non-Qualified
Stock Option \$ 27.05 11/20/2006 M 38,853 12/19/2002⁽²⁾ 12/19/2012 Comr
Stock

Non-Qualified
Stock Option \$ 37.75 11/20/2006 M 100,000 01/20/1997 01/18/2007 Comr
Stock

Non-Qualified
Stock Option \$ 45 11/20/2006 M 40,736 07/25/1997 07/25/2007 Comr
Stock

Non-Qualified
Stock Option \$ 58.94 11/20/2006 A 9,432 ⁽³⁾ 12/17/2011 Comr
Stock

Non-Qualified
Stock Option \$ 58.94 11/20/2006 A 25,977 ⁽³⁾ 12/19/2012 Comr
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HANSEN DOUGLAS B 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X		President	

Signatures

Douglas B.
Hansen 11/22/2006

__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, 2003. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2003 through January 1, 2006.
- (2) Twenty-five percent of the options vest on January 1, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.
- (3) These options are 100% vested at grant date.

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.