

REDWOOD TRUST INC  
 Form 4  
 November 29, 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 \*  
**GEORGE E BULL**

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 11/29/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman Of The Board/CEO

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

**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 or Price		
Common Stock	11/29/2006		M		27,100 A \$ 36.875	I	by Trust
Common Stock	11/29/2006		M		100,000 A \$ 37.75	I	by Trust
Common Stock	11/29/2006		F		67,194 D \$ 56.18	I	by Trust
Common Stock	11/29/2006		F		12,712 D \$ 56.18	I	by Trust
Common Stock	11/29/2006		M		782 A \$ 27.05	I	by Trust

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Common Stock	11/29/2006	M	40,736	A	\$ 45	261,337	I	by Trust
Common Stock	11/29/2006	F	3,141	D	\$ 56.18	258,196	I	by Trust
Common Stock	11/29/2006	F	32,629	D	\$ 56.18	225,567	I	by Trust
Common Stock	11/29/2006	M	58,279	A	\$ 27.05	283,846	I	by Trust
Common Stock	11/29/2006	F	11,709	D	\$ 56.18	272,137	I	by Trust
Common Stock	11/29/2006	F	28,060	D	\$ 56.18	244,077	I	by Trust
Common Stock						11,651	D	
Common Stock						11,200	I	by IRA
Common Stock						400	I	by Spouse
Common Stock						200	I	by Spouse - IRA

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

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**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
Incentive Stock Option (right to buy)	\$ 27.05	11/29/2006		M	782	<sup>(1)</sup>	12/19/2012	Common Stock
Incentive Stock Option (right to buy)	\$ 36.875	11/29/2006		M	27,100	11/29/2006	12/13/2006	Common Stock

Non-Qualified Stock Option (right to buy)	\$ 27.05	11/29/2006	M	58,279	11/29/2006 <sup>(1)</sup>	12/19/2012	Comm Stock
Non-Qualified Stock Option (right to buy)	\$ 37.75	11/29/2006	M	100,000	01/20/1997	01/18/2007	Comm Stock
Non-Qualified Stock Option (right to buy)	\$ 45	11/29/2006	M	40,736	11/29/2006	07/25/2007	Comm Stock
Non-Qualified Stock Option (right to buy)	\$ 56.18	11/29/2006	A	39,769	11/29/2006	12/19/2012	Comm Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GEORGE E BULL 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X		Chairman Of The Board/CEO	

## Signatures

George E. Bull                      11/29/2006  
 \*\*Signature of                      Date  
 Reporting Person

## 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, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.

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