

PICARD LOREN R  
 Form 4  
 November 22, 2004

**FORM 4**

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

OMB APPROVAL

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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).

**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 \*  
 PICARD LOREN R

(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)  
 11/22/2004

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)  
 Vice President

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	(A) or (D)	Price		
Common Stock	11/22/2004		M		500	A	\$ 14.5	1,563	D
Common Stock	11/22/2004		S		500	D	\$ 61.85	1,063	D
Common Stock	11/22/2004		M		1,000	A	\$ 14.875	2,063	D
Common Stock	11/22/2004		S		1,000	D	\$ 61.85	1,063	D
Common Stock	11/22/2004		M		2,000	A	\$ 11.4375	3,063	D

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Common Stock	11/22/2004	S	2,000	D	\$ 61.85	1,063	D
Common Stock	11/22/2004	M	312	A	\$ 17.625	1,375	D
Common Stock	11/22/2004	S	312	D	\$ 61.85	1,063	D
Common Stock	11/22/2004	M	343	A	\$ 24.5	1,406	D
Common Stock	11/22/2004	S	343	D	\$ 61.85	1,063	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 and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Incentive Stock Option (right to buy)	\$ 24.5	11/22/2004		M	343	<u>(1)</u>	12/17/2011	Common Stock	34
Non-Qualified Stock Option (right to buy)	\$ 11.4375	11/22/2004		M	2,000	05/04/2004	12/02/2009	Common Stock	2,000
Non-Qualified Stock Option (right to buy)	\$ 14.5	11/22/2004		M	500	05/04/2003	10/01/2008	Common Stock	500
Non-Qualified Stock Option (right to buy)	\$ 14.875	11/22/2004		M	1,000	05/04/2003	02/01/2009	Common Stock	1,000
Non-Qualified Stock Option	\$ 17.625	11/22/2004		M	312	<u>(2)</u>	12/14/2010	Common Stock	312

(right to buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PICARD LOREN R 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941			Vice President	

## Signatures

Loren R. Picard                      11/22/2004

\*\*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, 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, 2002. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2002 through January 5, 2005.

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.