
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.3%**

12. TYPE OF REPORTING PERSON*

IA, CO, HC

*SEE INSTRUCTIONS BEFORE FILLING OUT!

**Please note Morgan Stanley disclaims beneficial ownership of a portion of the shares reported, which are owned indirectly through a client vehicle. Morgan Stanley is not the custodian or administrator of the vehicle, and it is not clear that Morgan Stanley has voting or investment power over these shares.

CUSIP No. 758075402

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Item 1. (a) Name of Issuer:
REDWOOD TRUST INC

(b) Address of Issuer's Principal Executive Offices:
591 REDWOOD HWY
STE 3100
MILL VALLEY, CA 94941

Item 2. (a) Name of Person Filing:
Morgan Stanley

(b) Address of Principal Business Office, or if None, Residence:
1585 Broadway
New York, NY 10036

(c) Citizenship:
Incorporated by reference to Item 4 of the cover page
pertaining to each reporting person.

(d) Title of Class of Securities:
Common Stock

(e) CUSIP Number:
758075402

Item 3. Morgan Stanley is a parent holding company.

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Item 4. Ownership.

Incorporated by reference to Items (5) - (9) and (11) of the cover page.

(a) Morgan Stanley is filing solely in its capacity as the parent company of, and indirect beneficial owner of securities held by, one of its business units.

Item 5. Ownership of Five Percent or Less of a Class.

Inapplicable

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Inapplicable

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on By the Parent Holding Company.

Item 8. Identification and Classification of Members of the Group.

Item 9. Notice of Dissolution of Group.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having

such purpose or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 15, 2006

Signature: /s/ Dennine Bullard

Name/Title Dennine Bullard/Executive Director, Morgan Stanley & Co.
Incorporated

MORGAN STANLEY

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EXHIBIT 1 Secretary's Certificate Authorizing Dennine Bullard to Sign on behalf of Morgan Stanley 6

* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

EX-99.b
SECRETARY'S CERTIFICATE

EXHIBIT 1

MORGAN STANLEY

SECRETARY'S CERTIFICATE

I, Charlene R. Herzer, a duly elected and acting Assistant Secretary of Morgan Stanley, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), certify as follows:

- (1) Donald G. Kempf, Jr. served as the duly elected Executive Vice President, Chief Legal Officer and Secretary of the Corporation from December 1, 1999 to August 26, 2005;
- (2) Pursuant to Section 7.01 of the Bylaws of the Corporation and resolutions approved by the Board of Directors of the Corporation on September 25, 1998, the Chief Legal Officer is authorized to enter into agreements and other instruments on behalf of the Corporation and may delegate such powers to others under his jurisdiction; and
- (3) Donald G. Kempf signed a Delegation of Authority as of February 23, 2000, which authorized Dennine Bullard to sign reports to be filed under Section 13 and 16 of the Securities Exchange Act of 1934 on behalf of the Corporation. Such authorization is in full force and effect as of this date.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal of the Corporation as of the 23rd day of January, 2006.

Charlene R. Herzer
Assistant Secretary