

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

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 2, 2009

REDWOOD TRUST, INC.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

1-13759
(Commission File Number)

68-0329422
(IRS Employer Identification No.)

One Belvedere Place, Suite 300
Mill Valley, California 94941
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(415) 389-7373**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 7.01. Regulation FD Disclosure

On June 2, 2009, Redwood Trust, Inc. issued a press release announcing the closing of its previously announced common stock offering. A copy of the press release is attached as Exhibit 99.1 to this current Report on Form 8-K.

The information contained in this Item 7.01 and the attached Exhibit 99.1 is furnished to and not filed with the Securities and Exchange Commission, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events

In connection with the closing of the common stock offering described in Item 7.01 of this Current Report on Form 8-K, the Company is filing (i) the opinion of its Maryland counsel, Venable LLP, regarding the legality of the shares of common stock issued in connection therewith and (ii) the opinion of its tax counsel, Chapman and Cutler LLP, regarding certain tax matters. The opinions are filed as Exhibits 5.1 and 8.1 hereto, respectively, and each is incorporated herein by reference and each is also hereby being filed as an exhibit to, and is hereby incorporated by reference in, the Company's Registration Statement on Form S-3, File No. 333-147604.

Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Exhibit Title
5.1	Opinion of Venable LLP
8.1	Opinion of Chapman and Cutler LLP
23.1	Consent of Venable LLP (contained in its opinion filed as Exhibit 5.1)
23.2	Consent of Chapman and Cutler LLP (contained in its opinion filed as Exhibit 5.1)
99.1	Press Release dated June 2, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 2, 2009

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone
Andrew P. Stone
General Counsel & Secretary

Exhibit Index

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[LETTERHEAD OF VENABLE LLP]

June 2, 2009

Redwood Trust, Inc.
One Belvedere Place, Suite 300
Mill Valley, California 94941

Re: Registration Statement on Form S-3 (File No. 333-147604)

Ladies and Gentlemen:

We have served as Maryland counsel to Redwood Trust, Inc., a Maryland corporation (the "Company"), in connection with certain matters of Maryland law arising out of the sale and issuance of 17,240,000 shares (the "Shares") of Common Stock, \$0.01 par value per share (the "Common Stock"), of the Company in an underwritten public offering (the "Offering"), covered by the above-referenced Registration Statement, and all amendments related thereto (the "Registration Statement"), filed by the Company with the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act").

In connection with our representation of the Company, and as a basis for the opinion hereinafter set forth, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (hereinafter collectively referred to as the "Documents"):

1. The Registration Statement and the Prospectus included therein;
 2. The Prospectus Supplement, dated May 27, 2009 (the "Prospectus Supplement"), in the form filed by the Company with the Commission pursuant to Rule 424(b) under the 1933 Act;
 3. The charter of the Company (the "Charter"), certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");
 4. The Amended and Restated Bylaws of the Company, certified as of the date hereof by an officer of the Company;
 5. A certificate of the SDAT as to the good standing of the Company, dated as of a recent date;
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6. Resolutions adopted by the Board of Directors of the Company or a duly authorized committee thereof (the "Resolutions"), authorizing the sale and issuance of the Shares, certified as of the date hereof by an officer of the Company;

7. A certificate executed by an officer of the Company, dated as of the date hereof; and

8. Such other documents and matters as we have deemed necessary or appropriate to express the opinion set forth below, subject to the assumptions, limitations and qualifications stated herein.

In expressing the opinion set forth below, we have assumed the following:

1. Each individual executing any of the Documents, whether on behalf of such individual or another person, is legally competent to do so.

2. Each individual executing any of the Documents on behalf of a party (other than the Company) is duly authorized to do so.

3. Each of the parties (other than the Company) executing any of the Documents has duly and validly executed and delivered each of the Documents to which such party is a signatory, and such party's obligations set forth therein are legal, valid and binding and are enforceable in accordance with all stated terms.

4. All Documents submitted to us as originals are authentic. The form and content of all Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such Documents as executed and delivered. All Documents submitted to us as certified or photostatic copies conform to the original documents. All signatures on all Documents are genuine. All public records reviewed or relied upon by us or on our behalf are true and complete. All representations, warranties, statements and information contained in the Documents are true and complete. There has been no oral or written modification of or amendment to any of the Documents, and there has been no waiver of any provision of any of the Documents, by action or omission of the parties or otherwise.

5. The Shares will not be issued or transferred in violation of the restrictions on transfer and ownership of shares of stock of the Company set forth in Article XI of the Charter. Upon the issuance of any of the Shares, the total number of shares of Common Stock issued and outstanding will not exceed the total number of shares of Common Stock that the Company is then authorized to issue under the Charter.

Based upon the foregoing, and subject to the assumptions, limitations and qualifications stated herein, it is our opinion that:

1. The Company is a corporation duly incorporated and existing under the laws of the State of Maryland and is in good standing with the SDAT.

2. The issuance of the Shares has been duly authorized and, when and if issued and delivered against payment therefor in accordance with the Resolutions, the Registration Statement and the Prospectus Supplement, the Shares will be validly issued, fully paid and nonassessable.

The foregoing opinion is limited to the laws of the State of Maryland and we do not express any opinion herein concerning any other law. We express no opinion as to the applicability or effect of federal or state securities laws, including the securities laws of the State of Maryland, or as to federal or state laws regarding fraudulent transfers. To the extent that any matter as to which our opinion is expressed herein would be governed by the laws of any jurisdiction other than the State of Maryland, we do not express any opinion on such matter. The opinion expressed herein is subject to the effect of any judicial decision which may permit the introduction of parol evidence to modify the terms or the interpretation of agreements.

The opinion expressed herein is limited to the matters specifically set forth herein and no other opinion shall be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof.

This opinion is being furnished to you for submission to the Commission as an exhibit to the Company's Current Report on Form 8-K relating to the Offering (the "Current Report"). We hereby consent to the filing of this opinion as an exhibit to the Current Report and to the use of the name of our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the 1933 Act.

Very truly yours,

/s/ Venable LLP

[Letterhead of Chapman and Cutler LLP]

June 2, 2009

Redwood Trust, Inc.
One Belvedere Place Suite
300 Mill Valley, CA 94941

Re: Redwood Trust, Inc./Prospectus Supplement for Common Stock Offering

Ladies and Gentlemen:

We have acted as special tax counsel to Redwood Trust, Inc. (the "*Company*") in connection with the underwritten public offering (the "*Offering*") of 17,240,000 shares of its common stock, par value \$0.01 per share (the "*Common Stock*") pursuant to (i) the Registration Statement on Form S-3, dated November 23, 2007, (as amended as of the date hereof, together with the documents incorporated therein by reference, the "*Registration Statement*") including the Prospectus (the "*Prospectus*"), which forms a part of the Registration Statement and (ii) the Prospectus Supplement, dated May 27, 2009, (the "*Prospectus Supplement*"), each as filed by the Company with the Securities and Exchange Commission ("*SEC*") pursuant to the Securities Act of 1933, as amended (the "*Securities Act*"). In connection with the Offering, including the filing of the Prospectus Supplement with the SEC, you have requested that we confirm our opinion regarding the accuracy of certain descriptions of material U.S. federal income tax consequences contained in the Registration Statement, the Prospectus, and the Prospectus Supplement.

Scope of Review

Our opinions are based on the Internal Revenue Code of 1986, as amended to the date hereof (the "*Code*"), Treasury regulations issued thereunder, administrative rulings, judicial decisions and other applicable authorities, all as in effect and available on the date hereof. We note that the statutory provisions, regulations, and interpretations on which our opinions are based are subject to change, possibly retroactively. In addition, there can be no complete assurance that the Internal Revenue Service will not take positions contrary to the conclusions stated in our opinions.

In formulating our opinions, we have reviewed:

(i) the Registration Statement, the Prospectus, the preliminary Prospectus Supplement covering the Common Stock to be issued in the Offering, dated May 26, 2009 and filed by the Company with the SEC on or about such date (the "Preliminary Prospectus"), and the Prospectus Supplement;

(ii) the Company's articles of incorporation and other organizational documents of the Company and its subsidiaries, as amended and supplemented to the date hereof;

(iii) a certificate from an officer of the Company upon which we have relied, confirming various factual matters relevant to establishing the status of the Company as a real estate investment trust ("*REIT*") under the Code and the Company's intentions regarding future methods of operation (the "*Officer's Certificate*");

(iv) the opinion of Venable, LLP, dated the date hereof, with respect to certain matters regarding Maryland corporate law; and

(v) such resolutions, certificate, records, and other documents provided by the Company and/or its subsidiaries as we have deemed necessary or appropriate as a basis for the opinions set forth below.

Assumptions

In rendering our opinions, we have made the following assumptions:

(a) the factual records, reports and certifications of the Company provided to us as evidence of the Company's compliance with the stock ownership, income, asset and distribution requirements applicable to REITs under the Code are correct and complete in all material respects;

(b) each of the Company and its subsidiaries has been and will continue to be organized, capitalized and operated in the manner described to us, and as summarized in the Officer's Certificate and other periodic reports filed with the SEC;

(c) each of the Preliminary Prospectus and the Prospectus accurately describe the factual information provided regarding the Company and its Common Stock;

(d) there are and will be no changes in the applicable laws of the State of Maryland regarding authorization for charter restrictions on ownership of the Company's shares and permitting enforcement of provisions intended to cure or prevent violation of such limitations; and

(e) we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or other copies, and the authenticity of the originals of such copies.

With respect to these assumptions, it should be noted that (x) the representations set forth in the Officer's Certificate are highly factual in nature and reflect an intention with respect to the future conduct of the business of the Company and its subsidiaries that may not be achievable if there are future changes in the circumstances of either and (y) statutes, regulations, judicial decisions, and administrative interpretations are subject to change at any time and, in some circumstances, with retroactive effect. Any material change after the date hereof of any of the foregoing bases for our opinions could adversely affect our conclusions.

Opinions

Subject to the qualifications, assumptions and limitations set forth herein, we are of the opinion that:

1. The Company has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code commencing with its tax year ended December 31, 1994 and continuing through the fiscal quarter ended March 31, 2009 (the date of its most recent interim financial statements and REIT compliance reports), and its current and proposed methods of operation in periods subsequent to such date, as represented to us by the Company in the Officer's Certificate and as described by the Company in the Preliminary Prospectus and Prospectus, will enable it to continue to qualify as a REIT under the Code; and

2. Although the discussion set forth under the caption "Material U.S. Federal Income Tax Considerations" in the Prospectus, as supplemented by the discussion under such heading in the Prospectus Supplement, does not purport to discuss all possible U.S. federal income tax consequences of the acquisition, ownership and disposition of the Company's common stock, such discussion constitutes an accurate summary of the U.S. federal income tax considerations that are likely to be material to an investor in the Company's common stock as of the date hereof.

Limitations

Other than as specifically stated above, we express no opinion on any issue relating to the Company or its subsidiaries, or any investment in any other series or class of securities issued by them, or under any law other than U.S. federal income tax laws.

We impose no limit on your disclosure of this opinion or the tax treatment of the Company or its Common Stock. However, we are furnishing this opinion to you solely in connection with the filing of the Prospectus Supplement and it cannot be relied upon by any person or for any other purpose without our express written permission.

We hereby consent to the filing of this opinion as an exhibit to the Prospectus Supplement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act, as amended, or under the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Chapman and Cutler LLP

**FOR IMMEDIATE RELEASE**

Redwood Trust, Inc.
Tuesday, June 2, 2009

CONTACTS: Martin S. Hughes
(415) 389-7373

Mike McMahon
(415) 384-3805

Redwood Trust Announces the Closing of its Common Stock Offering

Mill Valley, CA – June 2, 2009 - Redwood Trust, Inc. (NYSE: RWT) today announced that it closed its previously announced common stock offering of 15 million shares at a public offering price of \$14.50 per share. In addition, Redwood announced that the underwriters of the offering exercised their over-allotment option in full to purchase an additional 2.24 million shares of common stock and the offering of those additional shares also closed today. The offering resulted in net proceeds to Redwood of approximately \$238 million, after deducting underwriting discounts and commissions and estimated offering expenses.

J.P. Morgan Securities Inc. acted as sole bookrunning manager for the offering.

The public offering was made by means of a prospectus. Redwood Trust has filed a registration statement (including a prospectus) with the Securities and Exchange Commission (SEC) for the offering to which this communication relates. You may get these documents for free by visiting EDGAR on the SEC's web site at www.sec.gov. Alternatively, the issuer, any underwriter, or any dealer participating in the offering will arrange to send you the relevant prospectus if you request it by contacting J.P. Morgan Securities Inc., 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, Attn: Prospectus Department, or by calling 1-718-242-8002.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

CAUTIONARY STATEMENT: This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Redwood's actual results may differ from our expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan," and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Redwood's Prospectus Supplement dated May 27, 2009, the accompanying Prospectus dated November 23, 2007, and the documents incorporated into the Prospectus Supplement and the accompanying Prospectus by reference. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.
