

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): May 17, 2013

REDWOOD TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other
jurisdiction of
incorporation)

001-13759
(Commission File Number)

68-0329422
(I.R.S. Employer
Identification No.)

One Belvedere Place
Suite 300
Mill Valley, California 94941
(Address of principal executive offices and Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

Redwood Trust, Inc. (the “Company”) maintains a direct stock purchase and dividend reinvestment plan (the “Plan”). The Plan is designed to provide the Company’s existing stockholders and interested new investors with a method of purchasing shares of the Company’s common stock and investing all or a percentage of their cash dividends in additional shares of common stock. On May 7, 2013, the Company filed with the Securities and Exchange Commission a shelf registration statement on Form S-3 (the “New Registration Statement”) which replaced the Company’s prior shelf registration statement. In order to continue to maintain the Plan, on May 17, 2013, the Company filed a prospectus supplement (the “Prospectus Supplement”) to the prospectus included in the New Registration Statement relating to the Plan.

Attached as Exhibit 5.1 to this Current Report is a copy of the opinion of Venable LLP regarding certain Maryland law matters, including the validity of the common stock offered pursuant to the Prospectus Supplement. Attached as Exhibit 8.1 to this Current Report is a copy of the opinion of Chapman and Cutler LLP regarding certain tax matters in connection with the Prospectus Supplement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 5.1	Opinion of Venable LLP
Exhibit 8.1	Opinion of Chapman and Cutler LLP



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 thereunto duly authorized.

Date: May 17, 2013

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone

Name: Andrew P. Stone

Title: General Counsel and Secretary

Exhibit Index

Exhibit No .	Exhibit Title
5.1	Opinion of Venable LLP
8.1	Opinion of Chapman and Cutler LLP

May 17, 2013

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

Re: Registration Statement on Form S-3 (File No. 333-188420):
Direct Stock Purchase and Dividend Reinvestment
Plan

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 relating to the registration by the Company of 8,004,530 shares (the "Shares") of common stock, \$.01 par value per share, of the Company (the "Common Stock"), covered by the above-referenced Registration Statement (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 "Securities Act"). The Shares may be issued from time to time pursuant to the Redwood Trust, Inc. Direct Stock Purchase and Dividend Reinvestment Plan (the "Plan"), as described under the heading "The Plan" in the Prospectus Supplement (as defined herein).

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 related form of prospectus included therein;
 2. The Prospectus Supplement, dated May 17, 2013 (the "Prospectus Supplement"), relating to the Plan, filed by the Company with the Commission pursuant to Rule 424(b)(2) under the Securities 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, as amended, certified as of the date hereof by an officer of the Company;
 5. Resolutions adopted by the Board of Directors of the Company (the "Resolutions"), relating to the authorization of the Plan and the issuance of the Shares, certified as of the date hereof by an officer of the Company;
 6. A certificate of the SDAT as to the good standing of the Company, dated as of a recent date;
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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 any other 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 the obligations of each party set forth in the Documents are legal, valid, binding and 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 such 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. Upon any issuance 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. None of the Shares will be issued in violation of the restrictions on ownership and transfer set forth in Article XI of 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 validly existing under and by virtue of 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 Registration Statement, the Resolutions and the Plan, 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 any federal or state securities laws, including the securities laws of the State of Maryland. 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 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 filing of the Prospectus Supplement (the "Current Report"), which is incorporated by reference in the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Current Report and the said incorporation by reference 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 Securities Act.

Very truly yours,

/s/ Venable LLP

Chapman and Cutler LLP

Attorneys at Law · Focused on Finance®

595 Market Street
26th Floor
San Francisco, California 94105-2839

T 415.541.0500
F 415.541.0506

May 17, 2013

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

Re: Redwood Trust, Inc./Direct Stock Purchase
and Dividend and Reinvestment Plan

Ladies and Gentlemen:

We have acted as special tax counsel to Redwood Trust, Inc. (the “*Company*”) in connection with the preparation of the tax summaries for (i) the Prospectus dated May 7, 2013 (the “*Prospectus*”), which forms a part of the Registration Statement on Form S-3 filed by the Company and the co-registrant named therein (the “*Registration Statement*”) filed with the United States Securities and Exchange Commission on May 7, 2013 (the “*SEC*”) and (ii) the Prospectus Supplement, dated May 17, 2013 (the “*Prospectus Supplement*”), related to the Company’s Direct Stock Purchase and Dividend Reinvestment Plan (the “*Plan*”) and which, together with the Prospectus, will be used to offer the Company’s common stock under the Plan. In connection with the filing of the Prospectus Supplement, you have requested that we confirm our opinion regarding the accuracy of certain descriptions of material U.S. federal income tax consequences contained therein.

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 and the Prospectus Supplement;
- (ii) the Company's articles of incorporation and other organizational documents of the Company and its subsidiaries that comprise the real estate investment trust ("REIT"), as amended and supplemented to the date hereof;
- (iii) a certificate from an officer of the Company dated the date of the Prospectus and upon which we have relied, confirming various factual matters relevant to establishing the status and operation of the Company as a 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 on or about 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) there has been no change in the Company's status as a real estate investment trust under Section 856 of the Code since December 31, 2012;
 - (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;
 - (c) 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;
 - (d) the Prospectus and other documents incorporated by reference into the Registration Statement accurately describes the factual information provided regarding the Company and its Common Stock and the Prospectus Supplement accurately describes the Plan and its operation; and
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(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, although the discussions set forth under the heading "36. What about Taxes?" and the heading "Material U.S. Federal Income Tax Considerations" in the Prospectus Supplement do not purport to discuss all possible U.S. federal income tax consequences of an investor's participation in the Plan, such discussions taken together with that in the Prospectus under the same heading, constitute 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 acquired under the Plan 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.

Redwood Trust, Inc.
May 17, 2013
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We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. 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 & Cutler LLP
