

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 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person Stone Andrew P			2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> 10% Owner <input type="checkbox"/> Other (specify below) General Counsel		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 12/19/2018					
ONE BELVEDERE PLACE, SUITE 300								
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
MILL VALLEY, CA 94941								
(City)	(State)	(Zip)	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	12/19/2018		M	(1)	37,047	A	\$ 15.21 (2)	85,062	D	
Common Stock	12/19/2018		S	(1)	15,000	D	\$ 15.25 (4)	70,062	D	

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 and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares					
Performance Stock Units	\$ 9.46 (5)	12/19/2018		M	(1)		28,707	(6)	(7)	Common Stock	28,707	\$ 0 (1)	31,920	D		
Performance Stock Units	\$ 9.46 (5)	12/19/2018		F	(8)		31,920	(6)	(7)	Common Stock	31,920	\$ 0 (1)	0 (9)	D		
Deferred Stock Units	\$ 19.87 (5)	12/19/2018		M	(1)		8,340	(6)	(7)	Common Stock	8,340	\$ 0 (1)	9,274	D		
Deferred Stock Units	\$ 19.87 (5)	12/19/2018		F	(8)		9,274	(6)	(7)	Common Stock	9,274	\$ 0 (1)	0 (9)	D		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stone Andrew P ONE BELVEDERE PLACE, SUITE 300 MILL VALLEY, CA 94941			General Counsel	

Signatures

/s/ Andrew P. Stone	12/19/2018
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) This transaction relates to the distribution and/or conversion of Performance Stock Units and Deferred Stock Units to common stock under the Executive Deferred Compensation Plan.
- (2) Represents the value (per stock unit or share of common stock) of the distribution and/or conversion of Performance Stock Units and Deferred Stock Units to common stock under the Executive Deferred Compensation Plan, based on the fair market value of Redwood Trust, Inc. common stock on the date of the transaction.
- (3) Transaction made pursuant to a 10b5-1 trading plan adopted by the Reporting Person earlier in 2018.
- (4) This transaction was executed in multiple trades with prices ranging from \$15.10 to \$15.40, inclusive. The price reported in Column 4 above reflects the weighted average sale price. The Reporting Person hereby undertakes to provide to the Securities and Exchange Commission staff, the price of the securities sold.
- (5) Represents fair value per stock unit of Performance Stock Units or Deferred Stock Units, based on the original grant date fair value determined at such time in accordance with FASB Accounting Standards Codification Topic 718.
- (6) Performance Stock Units and Deferred Stock Units were subject to a mandatory holding period and conversion and/or distribution to the Reporting Person is at the time provided in the applicable deferral election form, in accordance with the terms and conditions of the Executive Deferred Compensation Plan.
- (7) No expiration date is applicable to Performance Stock Units and Deferred Stock Units.
- (8) This disposition transaction represents a Compensation Committee approved withholding of securities incident to the payment of income tax liability relating to the distribution and/or conversion of Performance Stock Units and/or Deferred Stock Units under the Executive Deferred Compensation Plan.
- (9) Following these reported transactions, no other Performance Stock Units and/or Deferred Stock Units with the same original grant date are beneficially owned.

Remarks:

This Form 4 is being filed in connection with the distribution and/or conversion of Performance Stock Units and Deferred Stock Units to common stock under the Redwood Trust, Inc. Executive Deferred Compensation Plan. The Performance-based vesting formula, after a three-year performance-based vesting period. Please refer to Item 5.02(e) on Form 8-K filed on December 17, 2015 by Redwood Trust, Inc. for the description of the terms of these PSUs.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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