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

OMB APPROVAL					
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longer subject to Section 16. Form 4 or Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(F	ting Person *			ame a	nd Ticker	-			~ x			B () . Y		
		-	Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]					5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner						
JI LITEL,	SUITE 300		3. Date of Earliest Transaction (Month/Day/Year) 05/18/2010					Officer (give title below) Other (specify below)						
Ì	treet)	4	4. If Amendment, Date Original Filed(Month/Day/Year)				_X_	6. Individual or Joint/Group Filing(Check Applicable Line) X. Form filed by One Reporting Person Form filed by More than One Reporting Person						
		(Zip)	Table I - Non-Derivative Securities Acquired, Dispo					, Disposed of	osed of, or Beneficially Owned					
	I	Date	Execution any	Date	car) Code (Instr.	8)	(A) o (Instr	r Disposed of (A) or	f (D) Own Tran (Ins	Transaction(s) Form: Direct or Ind (I)		wnership orm: irect (D) Indirect	Beneficial Ownership	
						ti c	his form a currently value.	re not requi alid OMB co of, or Benefi	ired to res ontrol nur	spond unles nber.			SEC 1	474 (9-02)
Conversion		3A. Deemed Execution Date, any	4. Transac Code	etion 3)	5. Number Derivative Securities Acquired (or Dispose (D) (Instr. 3, 4,	of A) d of	6. Date Exercisable and Expiration Date (Month/Day/Year) 7. Total Control of the American Control of t		ble 7. Title and Amou Underlying Securi (Instr. 3 and 4) Diration Title Amou or			Derivative Securities Beneficially Owned Following Reported	Ownersh Form of Derivativ Security: Direct (D or Indirect	
\$ 15.09 (1)	05/18/2010		Code	V	(A) 3,976.14 (2)	(D)	(3)	(4)	Commo	of Shares n 3,976.14	\$ 0	3,976.14	D	
2. Correspondence	a a separate conversion r Exercise rice of lerivative ecurity	a a separate line for each class Tonversion on the conversion of	(State) (Zip) 2. Transaction Date (Month/Day/Year) a a separate line for each class of securities bend on the conversion of Exercise rice of Perivative ecurity 3. Transaction Date (Month/Day/Year) 3A. Deemed Execution Date any (Month/Day/Year)	(State) (Zip) 2. Transaction Date (Month/Day/Year) a separate line for each class of securities beneficially own (Month/Day/Year) Table II - Derivative (e.g., puts, any (Month/Day/Year) 3. Transaction Date (Execution Date, if any (Month/Day/Year) (Month/Day/Year) 3. Transaction Date (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) Code (Instr. 8)	(State) (Zip) 2. Transaction Date (Month/Day/Year) 2. Transaction Execution Date any (Month/Day/Year) Table II - Derivative Secure, puts, calls, any (Month/Day/Year) 3. Transaction Date (e.g., puts, calls, any (Month/Day/Year)) (Month/Day/Year) 3. 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Table II - Derivative Securities Acquired, Disposed of (D) (Instr. 3, 4 and 5) Table II - Derivative Securities Acquired, Disposed of (D) (Instr. 3) Table II - Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3) A Deemed (e.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of (D) (Instr. 3) Table II - Derivative Securities Acquired, Disposed of (D) (Instr. 3) Table II - Derivative Securities Acquired, Disposed of (D) (Instr. 3) Table II - Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Derivative Securities Acquired (D) (Instr. 3) Table II - Non-Derivative Securities Acquired (D) (Instr. 3) Table II - Non-Derivative Securities Acquired (D) (Instr. 3) Table II - Non-Derivative Securities Acquired (D) (Instr. 3) Table II - Non-Derivative Securi	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) 3. Transaction (Instr. 3, 4 and 5) Code (V Amount (D) Price Date Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned Closure (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Instr. 3 and 4) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Instr. 3 and 4) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (Ce.g., puts, calls, warrants, options, convertible securities) Table II - Derivative Securities Acquired, Disposed	Care Care

Reporting Owners

D # O N /	Relationships					
Reporting Owner Name / Address	Director	10% Owner	Officer	Other		
Pero Jeffrey T 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X					

Signatures

Attorney-In-Fact: Andrew P. Stone	05/18/2010
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) Represents fair market value of RWT common stock on transaction date for purposes of the Executive Deferred Compensation Plan.
- (2) 100% vested at grant.
- (3) Shares are subject to a minimum mandatory holding period and will be delivered to the Participant at the time provided in the Deferral Election but no sooner than May 1, 2014.
- (4) No expiration date is applicable to deferred stock units.

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.