

FORM 4

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

OMB APPROVAL	
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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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* Pero Jeffrey T		2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/16/2016		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
1 BELVEDERE PLACE, SUITE 300			4. If Amendment, Date Original Filed (Month/Day/Year)		
(Street)					
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	05/16/2016		M ⁽¹⁾		3,666.00	A	\$ 13.31 ⁽²⁾	37,920.39	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

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				
Deferred Stock Units	\$ 13.47 ⁽³⁾	05/16/2016		A ⁽⁴⁾		6,310.00 ⁽⁵⁾		⁽⁶⁾	⁽⁷⁾	Common Stock	6,310	\$ 0	6,310	D	
Deferred Stock Units	\$ 20.46 ⁽⁸⁾	05/16/2016		M ⁽¹⁾		3,666.00		⁽⁹⁾	⁽⁷⁾	Common Stock	3,666	\$ 0	0	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	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	05/17/2016
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 Deferred Stock Units to common stock in the Executive Deferred Compensation Plan.

- (2) Represents the value (per stock unit or share of common stock) of the distribution and/or conversion of Deferred Stock Units, including to common stock under the Executive Deferred Compensation Plan, based on the fair market value of Redwood Trust, Inc. common stock on the transaction date.
- (3) Represents fair market value RWT common stock on transaction date under the 2014 Incentive Award Plan.
- (4) This transaction relates to the grant of Deferred Stock Units.
- (5) 100% vested at grant.
- (6) 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 15, 2019.
- (7) No expiration date is applicable to deferred stock units.
- (8) Represents fair value of Deferred Stock Units, based on the original grant date fair market value.
- (9) 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 16, 2016.

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.