

**FORM 4**

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

OMB APPROVAL  
OMB Number: 3235-0287  
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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 Hughes Martin S		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 checked="" type="checkbox"/> Officer (give title below) Chief Executive Officer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 03/01/2016		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		(Street)	4. If Amendment, Date Original Filed (Month/Day/Year)			
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	03/01/2016		P		5,000	A	\$ 11.9865	518,384	D	
Common Stock	03/01/2016		P		5,000	A	\$ 12.0214	523,384	D	
Common Stock	03/01/2016		P		5,000	A	\$ 12.0487	528,384	D	
Common Stock	03/01/2016		P		5,000	A	\$ 12.1742	533,384	D	
Common Stock								5,000	I	by Spouse

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				

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hughes Martin S 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X		Chief Executive Officer	

**Signatures**

/s/ Attorney-In-Fact: Andrew P. Stone For: Martin S. Hughes	03/01/2016
<small>Signature of Reporting Person</small>	<small>Date</small>

**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).

**Remarks:**

As previously reported, on December 21, 2015, in connection the distribution/conversion of Performance Stock Units to common stock, the Reporting Person sold in the open market 1,381 shares of common stock pursuant to a 10b5-1 trading plan at a weighted average sale price of \$13.42 per share. All proceeds of the December 21, 2015 sale were remitted by the Reporting Person to federal and/or state income tax agencies as additional income tax withholdings and swing profit from the matching of the December 21, 2015 sale of common stock and the purchase of common stock reported on this Form 4.

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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