

FORM 4

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response...	0.5

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* Byerwalter Mariann H		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)	20,072.70	I	by Trust
Common Stock	05/16/2016		S ⁽³⁾		9,759.00	D	\$ 13.27	10,313.70	I	by Trust

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				
Deferred Stock Units	\$ 13.47 (4)	05/16/2016		A ⁽⁵⁾		6,310.00 (6)		(7)	(8)	Common Stock	6,310	\$ 0	6,310	D	
Deferred Stock Units	\$ 20.46 (9)	05/16/2016		M ⁽¹⁾		3,666.00		(10)	(8)	Common Stock	3,666	\$ 0	0	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Byerwalter Mariann H 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	X			

Signatures

Attorney-In-Fact: Andrew P. Stone		05/17/2016
<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).

- (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) Transaction made pursuant to a 10b5-1 trading plan adopted by the Reporting Person in 2015.
- (4) Represents fair market value RWT common stock on transaction date under the 2014 Incentive Award Plan.
- (5) This transaction relates to the grant of Deferred Stock Units.
- (6) 100% vested at grant.
- (7) 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.
- (8) No expiration date is applicable to deferred stock units.
- (9) Represents fair value of Deferred Stock Units, based on the original grant date fair market value.
- (10) 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.

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