

**INITIAL STATEMENT OF 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* Isbrandtsen John  (Last) (First) (Middle) 1 BELVEDERE PLACE, SUITE 300  (Street) MILL VALLEY, CA 94941  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 03/31/2010	3. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Managing Director	5. 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	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	7,364	D	
Common Stock	1,000	I	by IRA

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Incentive Stock Option (right to buy)	(1)	04/03/2010	Common Stock	4,000	\$ 14.8125	D	
Incentive Stock Option (right to buy)	(1)	12/14/2010	Common Stock	5,000	\$ 17.625	D	
Non-Qualified Stock Option (right to buy)	(1)	12/10/2013	Common Stock	7,500	\$ 52.46	D	
Non-Qualified Stock Option (right to buy)	(1)	12/01/2014	Common Stock	5,152	\$ 58.23	D	
Non-Qualified Stock Option (right to buy)	(1)	12/17/2011	Common Stock	416	\$ 58.87	D	
Stock Units in Deferred Compensation Plan	(2)	(3)	Common Stock	80,007.05 (4)	\$ 0 (5)	D	

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Isbrandtsen John 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941			Managing Director	

**Signatures**

John Isbrandtsen	04/02/2010
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## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) Options are currently exercisable

(2) This transaction relates to the acquisition of Deferred Stock Units in accordance with the deferral election made according to the terms and conditions of the Redwood Trust Inc. Executive Deferred Compensation Plan.

(3) No expiration date is applicable to deferred stock units.

(4) Includes grants awarded annually from 2004 to 2009 with four year vesting schedule and voluntary deferrals of cash compensation in 2008 and 2009 into the Redwood Trust Executive Deferred Compensation Plan.

(5) No exercise price 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.

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