

Hughes Martin S
 Form 4
 May 01, 2013

FORM 4

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

OMB APPROVAL

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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, Section 17(a) of the Public Utility Holding Company Act of 1935 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)

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

3. Date of Earliest Transaction (Month/Day/Year)
 05/01/2013

Director 10% Owner
 Officer (give title below) Other (specify below)

Chief Executive Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
Common Stock	05/01/2013		M ⁽¹⁾	110,875 A	22.82 \$ <u>(2)</u>	235,749 D	
Common Stock					5,000	I	by Spouse

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

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SEC 1474
 (9-02)

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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. Amount or Number of Shares
Deferred Stock Units	\$ 22.82 (2)	05/01/2013		M(1)	110,875	(3) (4)	Common Stock	110,875
Deferred Stock Units	\$ 22.82 (2)	05/01/2013		F(5)	104,625	(3) (4)	Common Stock	104,625

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

Martin S. Hughes
05/01/2013

**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 fair value of the distribution and/or conversion of Deferred Stock Units, based on the fair market value of RWT common stock on transaction date under the 2002 Incentive Plan.
- (3) Shares were subject to a mandatory holding period and are being delivered to the Participant at the time provided in the Deferral Election Form, according to the terms and conditions of the Executive Deferred Compensation Plan.
- (4) No expiration date is applicable to deferred stock units.
- (5) This disposition transaction represents a Compensation Committee approved withholding of securities incident to the payment of tax liability relating to the distribution and/or conversion of Deferred Stock Units in the Executive Deferred Compensation Plan.
- (6) Following these reported transactions, no other Deferred Stock Units with the same original grant date are beneficially owned.

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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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