

REDWOOD TRUST INC
Form 4
February 28, 2007

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 *
SIRKIS ANDREW

(Last) (First) (Middle)

1 BELVEDERE PLACE, SUITE 300

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
REDWOOD TRUST INC [RWT]

3. Date of Earliest Transaction (Month/Day/Year)
02/26/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 02/26/2007 | | M | | 9,140 | A | \$ 27.05 |
| Common Stock | 02/26/2007 | | F | | 4,362 | D | \$ 56.67 |
| Common Stock | 02/26/2007 | | F | | 1,707 | D | \$ 56.67 |
| Common Stock | 02/28/2007 | | M | | 2,106 | A | \$ 29.25 |
| Common Stock | 02/28/2007 | | S | | 2,106 | D | \$ 53.1181 |
| | | | | | | | 16,011 |
| | | | | | | | 11,649 |
| | | | | | | | 9,942 |
| | | | | | | | 12,048 |
| | | | | | | | 9,942 |

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Common Stock 02/28/2007 S 3,071 D \$ 53.3353 6,871 D

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 27.05 | 02/26/2007 | | M | 9,140 | <u>(1)</u> 12/19/2012 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 29.25 | 02/28/2007 | | M | 2,106 | <u>(2)</u> 10/17/2007 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 56.67 | 02/26/2007 | | A | 6,069 | <u>(3)</u> 02/26/2012 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| SIRKIS ANDREW 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941 | | | Vice President | |

Signatures

Andrew I. Sirkis 02/28/2007
 **Signature of Date
 Reporting Person

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) Twenty-five percent of the options vest on January 1, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.
- (2) The option becomes exercisable in four equal installments on the 4th day of May in 1999, 2000, 2001, and 2002.
- (3) These reloaded options are 100% vested on grant date, same expiration date as original options.

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