REDWOOD TRUST INC

Form 4

December 20, 2016

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 32

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OMB APPROVAL

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Section 16.
Form 4 or
Form 5
obligations
may continue.

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

1(b).

(Print or Type Responses)

See Instruction

| 1. Name and Address of Reporting Person * Stone Andrew P | 2. Issuer Name and Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
|--|--|---|--|--|
| (Last) (First) (Middle) | REDWOOD TRUST INC [RWT] 3. Date of Earliest Transaction | | | |
| 1 BELVEDERE PLACE, SUITE 300 | (Month/Day/Year) 12/19/2016 | Director 10% OwnerX_ Officer (give title below) below) General Counsel | | |
| (Street) | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person | | |
| MILL VALLEY, CA 94941 | | Form filed by More than One Reporting Person | | |

| (City) | (State) (| (Zip) Table | e I - Non-D | erivative | Secur | ities Acqu | uired, Disposed of | , or Beneficial | ly Owned |
|--------------------------------------|--------------------------------------|---|--------------|----------------|---|--------------|---|-----------------|----------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | ansaction Date 2A. Deemed 3. 4. Securities Acque th/Day/Year) Execution Date, if any Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8) (A) or | | d of (D) 5) | 5. Amount of Securities Ownership Beneficially Form: Direct Owned (D) or Following Indirect (I) Reported (Instr. 4) Transaction(s) (Instr. 3 and 4) | | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | |
| G | | | Code V | Amount | (D) | Price \$ | | | |
| Common Stock | 12/19/2016 | | M <u>(1)</u> | 5,434 | A | 15.16 (2) | 50,896 | D | |
| Common | 12/10/2016 | | C (3) | 5 000 | D | \$ 15.3 | 15 906 | D | |

5,000

D

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

 $S^{(3)}$

12/19/2016

Stock

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)

D

45,896

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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) | of Derivative Expiration Securities (Month/D Acquired (A) or Disposed of (D) (Instr. 3, 4, | | Transaction Derivative Expiration Date Un Code Securities (Month/Day/Year) (In | | Underlying S | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|---|---|---|---|---|--|---------------------|--|-----------------|--|---|--|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |
| Deferred Stock Units | \$ 16.47 (5) | 12/19/2016 | | F(6) | 6,709 | <u>(7)</u> | (8) | Common Stock | 6,709 | \$ 0 | |
| Deferred Stock Units | \$ 16.47 (5) | 12/19/2016 | | M <u>(1)</u> | 5,434 | <u>(7)</u> | (8) | Common Stock | 5,434 | \$ 0 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|-----------------------------------|---------------|-----------|---------|-------|--|--|--|
| rioporomg o wher runne production | Director | 10% Owner | Officer | Other | | | |
| Stone Andrew P | | | | | | | |
| 1 BELVEDERE PLACE | | | General | | | | |
| SUITE 300 | | | Counsel | | | | |
| MILL VALLEY, CA 94941 | | | | | | | |

Signatures

Andrew P.
Stone

12/19/2016

**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 under the Executive Deferred Compensation Plan.
- 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 August, 2016.

(4)

Reporting Owners 2

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This transaction was executed in multiple trades with prices ranging from \$15.21 to \$15.40, inclusive. The price reported in Column 4 above reflects the weighted average sale price. The Reporting Person hereby undertakes to provide to the Securities and Exchange Commission staff, the Issuer, or a security holder of the Issuer, upon request, full information regarding the number of shares sold at each respective price within the range set forth in this footnote.

- (5) Represents fair value of Deferred Stock Units, based on the original grant date fair market value.
- 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.
- (7) Deferred Stock Units 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.
- (8) No expiration date is applicable to deferred stock units.
- (9) Following these reported transactions, no other Deferred Stock Units with the same original grant date are beneficially owned.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.