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U.S. DEPT. OF
LABOR/PUBLIC DISCLOSURE
02 JUL 12 PM 2002

June 20, 2002

591 Redwood Highway
Suite 3100
Mill Valley, CA 94941

PHONE 415.389.7373
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Office of Public Disclosure
Department of Labor
Room N1513
200 Constitution Avenue, North West
Washington DC, 20210

**RE: Redwood Trust, Inc. Executive Deferred Compensation Plan, ERISA, Title I, Part I,
Disclosure Report**

Dear Sir or Madam:

I am writing this letter/report on behalf of Redwood Trust, Inc. pursuant to 29 C.F.R. Section 2520.104-23. That is, this letter/report is intended to comply with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Title I, Part 1, reporting, and disclosure requirements for "top hat" deferred compensation plans.

The Redwood Trust Executive Deferred Compensation Plan ("Plan") was adopted on June 17, 2002, and consequently this letter/report is filed within the required 120 days of adoption of the Plan.

The information required to be included in the report pursuant to the aforementioned section is as follows:

1) Name and Address of Employer:

Redwood Trust, Inc.
591 Redwood Highway, Suite 3100
Mill Valley, CA 94941

2) Employer Identification Number:

68-0329422

3) Declaration of Purpose:

The primary purpose of the Plan is to provide the opportunity to a select group of management, highly compensated employees and independent directors to defer their compensation and purchase shares of Redwood Trust, Inc.'s common stock. The Plan is intended to be a top-hat plan described in Section 201(2) of ERISA.

4) Number of Employees Participating:



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Seven employees are eligible to participate in the Plan.

Please be aware that this report is being filed on Redwood Trust, Inc. letterhead, and not on a pre-approved Department of Labor form in accordance with instructions provided to Redwood Trust, Inc.'s Director of Tax, Thomas Velladao, by Jennifer Warner of the Department of Labor, Office of Public Disclosure {(202) 693-8388} on June 7, 2002 (Miss Warner indicated that there was no applicable pre-printed DOL form).

If you have any questions regarding the above-described information, please do not hesitate to call me at (415) 380-2306.

Sincerely,

Harold F. Zagunis
Chief Financial Officer

591 Redwood Highway
Suite 3100
Mill Valley, CA 94941



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