

HouseValues, Inc.
Form 4
March 14, 2006

FORM 4

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

OMB APPROVAL

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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 *
William Blair Capital Management VII, LLC

(Last) (First) (Middle)

303 W. MADISON, SUITE 2500

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HouseValues, Inc. [SOLD]

3. Date of Earliest Transaction (Month/Day/Year)
03/10/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)
___ Form filed by One Reporting Person
X 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 03/10/2006 | | S | (A) or (D) 18,982 (1) D | \$ 8.85 5,493,732 (2) I | I | By Ltd Partnership, See Footnote (3) (4) |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| William Blair Capital Management VII, LLC 303 W. MADISON, SUITE 2500 CHICAGO, IL 60606 | | X | | |
| William Blair Capital Management VII, LP 303 W. MADISON, SUITE 2500 CHICAGO, IL 60606 | | X | | |
| BLAIR WILLIAM CAPITAL PARTNERS VII QP LP 303 W. MADISON, SUITE 2500 CHICAGO, IL 60606 | | X | | |
| BLAIR WILLIAM CAPITAL PARTNERS VII LP 303 W. MADISON, SUITE 2500 CHICAGO, IL 60606 | | X | | |

Signatures

| | |
|---|------------|
| Robert Blank, Managing Director of William Blair Capital Management VII, L.L.C. | 03/14/2006 |
| __Signature of Reporting Person | Date |
| Robert Blank, Managing Director of William Blair Capital Management VII, L.L.C., the general partner of William Blair Capital Management VII, L.P. | 03/14/2006 |
| __Signature of Reporting Person | Date |
| Robert Blank, Managing Director of William Blair Capital Management VII, L.L.C., the general partner of William Blair Capital Management VII, L.P., the general partner of William Blair Capital Partners VII, QP, L.P. | 03/14/2006 |
| __Signature of Reporting Person | Date |
| Robert Blank, Managing Director of William Blair Capital Management VII, L.L.C., the general partner of William Blair Capital Management VII, L.P., the general partner of William Blair Capital Partners VII, L.P. | 03/14/2006 |

__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) Represents 18,278 shares beneficially owned by William Blair Capital Partners VII QP, LP and 704 shares beneficially owned by William Blair Capital Partners VII LP.
- (2) Represents 5,289,861 shares beneficially owned by William Blair Capital Partners VII QP, LP and 203,871 shares beneficially owned by William Blair Capital Partners VII LP.

The amounts shown in Table I represent the beneficial ownership of the Issuer's equity securities by William Blair Capital Partners VII QP, L.P. and William Blair Capital Partners VII, L.P., a portion of which may be deemed attributable to William Blair Capital Management VII, L.L.C. and William Blair Capital Management VII, L.P., because William Blair Capital Management VII, L.P. is the

- (3) general partner of William Blair Capital Partners VII QP, L.P. and William Blair Capital Partners VII, L.P. and William Blair Capital Management VII, L.L.C. is the general partner of William Blair Capital Management VII, L.P. The actual pro rata portion of such beneficial ownership that may be deemed attributable to such Reporting Person is not readily determinable because it is subject to several variables.

The Designated Filer is executing this report on behalf of William Blair Capital Management VII, L.L.C., William Blair Capital Management VII, L.P., William Blair Capital Partners VII QP, L.P. and William Blair Capital Partners VII, L.P. (collectively, the 'Reporting Persons'), each of whom has authorized it to do so. Each of the Reporting Persons disclaims beneficial ownership of the reported securities, except to the extent of their pecuniary interest.

- (4) 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.