

Dolby Laboratories, Inc.
 Form 4
 November 21, 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 *
 Forshay Steven E

(Last) (First) (Middle)

C/O DOLBY LABORATORIES,
 INC., 100 POTRERO AVENUE

(Street)

SAN FRANCISCO, CA 94103

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Dolby Laboratories, Inc. [DLB]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/21/2006

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)

Sr. Vice President, Research

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 or Price | | |
| Class A Common Stock ⁽¹⁾ | 11/21/2006 | | C | | 10,000 A \$ 0 | 10,000 | D |
| Class A Common Stock | 11/21/2006 | | S | | 1,600 D \$ 28.5 | 8,400 | D |
| Class A Common Stock | 11/21/2006 | | S | | 400 D \$ 28.51 | 8,000 | D |
| Class A Common | 11/21/2006 | | S | | 400 D \$ 28.52 | 7,600 | D |

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| Stock | | | | | | | |
|----------------------------|------------|---|-------|---|-------------|-------|---|
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.53 | 7,500 | D |
| Class A Common Stock | 11/21/2006 | S | 700 | D | \$ 28.54 | 6,800 | D |
| Class A Common Stock | 11/21/2006 | S | 700 | D | \$ 28.55 | 6,100 | D |
| Class A Common Stock | 11/21/2006 | S | 600 | D | \$ 28.57 | 5,500 | D |
| Class A Common Stock | 11/21/2006 | S | 200 | D | \$ 28.58 | 5,300 | D |
| Class A Common Stock | 11/21/2006 | S | 300 | D | \$ 28.59 | 5,000 | D |
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.67 | 4,900 | D |
| Class A Common Stock | 11/21/2006 | S | 1,300 | D | \$ 28.7 | 3,600 | D |
| Class A Common Stock | 11/21/2006 | S | 400 | D | \$ 28.71 | 3,200 | D |
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.72 | 3,100 | D |
| Class A Common Stock | 11/21/2006 | S | 800 | D | \$ 28.73 | 2,300 | D |
| Class A Common Stock | 11/21/2006 | S | 200 | D | \$ 28.75 | 2,100 | D |
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.76 | 2,000 | D |
| Class A Common Stock | 11/21/2006 | S | 500 | D | \$ 28.82 | 1,500 | D |

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| | | | | | | | |
|----------------------------|------------|---|-------|---|-------------|-------|---|
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.83 | 1,400 | D |
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.85 | 1,300 | D |
| Class A Common Stock | 11/21/2006 | S | 100 | D | \$ 28.87 | 1,200 | D |
| Class A Common Stock | 11/21/2006 | S | 200 | D | \$ 28.88 | 1,000 | D |
| Class A Common Stock | 11/21/2006 | S | 1,000 | D | \$ 29.05 | 0 | 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 Amount or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 2.08 | 11/21/2006 | | M | 10,000 | (2) 04/20/2014 | Class B Common Stock 10,000 |
| Class B Common Stock | \$ 0 (3) | 11/21/2006 | | M | 10,000 | (3) (3) | Class A Common Stock 10,000 |
| Class B Common Stock | \$ 0 (3) | 11/21/2006 | | C | 10,000 | (3) (3) | Class A Common Stock 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Forshay Steven E C/O DOLBY LABORATORIES, INC. 100 POTRERO AVENUE SAN FRANCISCO, CA 94103 | | | Sr. Vice President, Research | |

Signatures

/s/ Alan G. Smith,
Attorney-in-fact
11/21/2006
Date

**Signature of 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) Each share of Class A Common Stock issued upon conversion of one share of Class B Common Stock at the election of the reporting person.
 - (2) This option was granted for a total of 180,000 shares of Class B Common Stock. 1/4 of the total number of shares issuable under the option becomes exercisable on each anniversary of April 1, 2004, the vesting commencement date.
 - (3) Each share of Class B Common Stock is convertible into one share of Class A Common Stock at the option of the holder and has no expiration date.

Remarks:

All of the sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan.

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.