

HouseValues, Inc.  
Form 4  
March 27, 2006

**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 \*  
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)  
03/23/2006

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 Ownership (Instr. 4) |   |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|---|--|
|                                 |                                      |  | Code                           | V   | Amount  |  |  |   |  |
|                                 |                                      |  |                                |   | (A) or (D)  |  |  |   |  |
|                                 |                                      |  |                                |   | Price   |  |  |   |  |
| Common Stock                    | 03/23/2006                           |  | S(1)                           |   | 35,300<br>(2)   | D  | \$ 5,193,971<br>(3)                        | I | By Ltd Partnership, See Footnote (4) (5) |
| Common Stock                    | 03/24/2006                           |  | S(1)                           |   | 10,000<br>(6)   | D  | \$ 5,183,971<br>(7)                        | I | By Ltd Partnership, See Footnote (4) (5) |

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

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(9-02)

**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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

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

## Signatures

Robert Blank, Managing Director of William Blair Capital Management VII, L.L.C. 03/27/2006

\*\*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. 03/27/2006

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\_\_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.

03/27/2006

\_\_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.

03/27/2006

\_\_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) The sales reported in this Form 4 were effected pursuant to a Rule 10b-5 trading plan adopted on March 16, 2006 by William Blair Capital Partners VII QP, LP and William Blair Capital Partners VII, LP.
- (2) Represents 33,990 shares beneficially owned by William Blair Capital Partners VII QP, LP and 1,310 shares beneficially owned by William Blair Capital Partners VII LP.
- (3) Represents 5,001,224 shares beneficially owned by William Blair Capital Partners VII QP, LP and 192,747 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

- (4) 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.

- (6) Represents 9,629 shares beneficially owned by William Blair Capital Partners VII QP, LP and 371 shares beneficially owned by William Blair Capital Partners VII LP.
- (7) Represents 4,991,595 shares beneficially owned by William Blair Capital Partners VII QP, LP and 192,376 shares beneficially owned by William Blair Capital Partners VII LP.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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