

HouseValues, Inc.  
Form SC 13G/A  
February 14, 2008

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

**HOUSEVALUES, INC.**  
(Name of Issuer)

**Common Stock, \$.001 par value**  
(Title of Class of Securities)

**44183Y102**  
(CUSIP Number)

**December 31, 2007**  
(Date of Event which Requires filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

---

CUSIP No. 44183Y102

**1** NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

**Thomas W. Smith**

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) o  
(b) x  
**3** SEC USE ONLY

**4** CITIZEN OR PLACE OF ORGANIZATION

**United States**

<b>5</b>	<b>SOLE VOTING POWER</b>
<b>NUMBER OF</b>	<b>303,700</b>
<b>SHARES</b>	
<b>6</b>	<b>SHARED VOTING POWER</b>
<b>BENEFICIALLY</b>	<b>2,080,800</b>
<b>OWNED BY EACH</b>	
<b>7</b>	<b>SOLE DISPOSITIVE POWER</b>
<b>REPORTING</b>	<b>377,040</b>
<b>PERSON</b>	
<b>8</b>	<b>SHARED DISPOSITIVE POWER</b>
<b>WITH</b>	<b>2,080,800</b>

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,457,840**

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
**Not Applicable**

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
**10.0%**

**12** TYPE OF REPORTING PERSON  
**IN**

CUSIP No. 44183Y102

**1** NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

**Scott J. Vassalluzzo**

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) o  
(b) x

**3** SEC USE ONLY

**4** CITIZEN OR PLACE OF ORGANIZATION

**United States**

<b>5</b>	<b>SOLE VOTING POWER</b>
<b>NUMBER OF</b>	<b>0</b>
<b>SHARES</b>	
<b>6</b>	<b>SHARED VOTING POWER</b>
<b>BENEFICIALLY</b>	<b>2,080,800</b>
<b>OWNED BY EACH</b>	
<b>7</b>	<b>SOLE DISPOSITIVE POWER</b>
<b>REPORTING</b>	<b>60,000</b>
<b>PERSON</b>	
<b>8</b>	<b>SHARED DISPOSITIVE POWER</b>
<b>WITH</b>	<b>2,080,800</b>

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,140,800**

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
**Not Applicable**

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
**8.7%**

**12** TYPE OF REPORTING PERSON  
**IN**

**ITEM 1.** (a) **Name of Issuer:**

HouseValues, Inc.

(b) **Address of Issuer's Principal Executive Offices:**  
11332 NE 122nd Way  
Kirkland, WA 98034

**ITEM 2.** (a) **Name of Person Filing:**

(i) Thomas W. Smith

(ii) Scott J. Vassalluzzo

The filing of this Statement shall not be deemed to be an admission that the filing persons (the "Reporting Persons") comprise a "group" within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended. The Reporting Persons each disclaim beneficial ownership of the shares reported in this Schedule 13G in excess of those shares as to which they have or share voting or investment authority.

(b) **Address of Principal Business Office:**

The following is the address of the principal business office of each of the filing persons:

323 Railroad Avenue  
Greenwich, CT 06830

(c) **Citizenship:**

Each of Messrs. Thomas W. Smith and Scott J. Vassalluzzo is a United States citizen.

(d) **Title of Class of Securities:**

Common Stock, par value \$.001 per share.

(e) **CUSIP Number:**

44183Y102

**ITEM 3. If this Statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:**

Not applicable.

**If this Statement is filed pursuant to Rule 13d-1(c), check this box [x]**

**ITEM 4. Ownership**

(a) Thomas W. Smith - 2,457,840 shares; Scott J. Vassalluzzo - 2,140,800 shares;

(b) Thomas W. Smith - 10.0%; Scott J. Vassalluzzo - 8.7%

(c) Mr. Thomas W. Smith has the sole power to vote or to direct the vote of 303,700 shares and the sole power to dispose or to direct the disposition of 377,040 shares. Mr. Scott J. Vassalluzzo has the sole power to vote or to direct the vote of no shares and the sole power to dispose or to direct the disposition of 60,000 shares. Messrs. Thomas W. Smith and Scott J. Vassalluzzo have the shared power to vote or to direct the vote and shared power to dispose or to direct the disposition of 2,080,800 shares.

**ITEM 5. Ownership of Five Percent or Less of a Class**

Not applicable

**ITEM 6. Ownership of More than Five Percent on Behalf of Another Person**

Messrs. Smith and Vassalluzzo in the aggregate beneficially own 2,217,840 shares in their capacities as investment managers for certain managed accounts. The managed accounts have the right to receive dividends from, and the proceeds from the sale of, the managed accounts' shares.

**ITEM 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company**

Not applicable.

**ITEM 8. Identification and Classification of Members of the Group**

Not applicable.

**ITEM 9. Notice of Dissolution of Group**

Not applicable.

**ITEM 10. Certification**

By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2008

*/s/ Thomas W. Smith*

---

Thomas W. Smith

*/s/ Scott J. Vassalluzzo*

---

Scott J. Vassalluzzo

**JOINT FILING AGREEMENT**

The undersigned agree that the foregoing Amendment No. 2 to the Statement on Schedule 13G, dated February 14, 2008, is being filed with the Securities and Exchange Commission on behalf of each of the undersigned pursuant to Rule 13d-1(k)

Dated: February 14, 2008

*/s/ Thomas W. Smith*

---

Thomas W. Smith

*/s/ Scott J. Vassalluzzo*

---

Scott J. Vassalluzzo