

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*			2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
DIETZ	DAVID	M	RTW, INC.		RTWI		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			_____ Director _____ 10% Owner	
8500 NORMANDALE LAKE BLVD SUITE 1400			08/01/2006			<input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below)	
(Street)			4. If Amendment, Date Original Filed (Month/Day/Year)			VP - Absentia	
BLOOMINGTON MN 55437						6. Individual or Joint/Group Filing (Check applicable)	
(City) (State) (Zip)						<input checked="" type="checkbox"/> Form filed by One Reporting Person _____ Form filed by More than One Reporting Person	

Table I -- Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans- action Date (Month/ Day/ Year)	2A. Deemed Execution Date, if any (Month/ Day/ Year)	3. Trans- action 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. Owner- ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Owner- ship (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/01/2006		M		7500	A	\$2.20	7500	D	
Common Stock	08/01/2006		M		2400	A	\$2.19	9900	D	
Common Stock	08/01/2006		S		9900	D	\$10.515 (1)	0	D	

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

* If the form is filed by more than one reporting person, see Instructions 4(b)(v).

Persons who respond to the collection of the information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM 4 (continued)

Table II -- Derivative Securities 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 Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Options (Right to Buy)	\$2.20	08/01/2006		M			7500	07/24/2003	07/24/2012	Common Stock	7500	\$2.20	0	D	
Stock Options (Right to Buy)	\$2.19	08/01/2006		M			2400	03/12/2003	03/12/2013	Common Stock	2400	\$2.19	0	D	

Explanation of Responses: See attached footnote page.

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
see 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)

/s/ David M. Dietz

08/04/2006

** Signature of Reporting Person

Date

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Average sale price