

# FORM 5

**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).

## ANNUAL 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

1. Name and Address of Reporting Person* <b>MURPHY</b> <b>JEFFREY</b> <b>B</b> (Last)                              (First)                              (Middle) <b>8500 NORMANDALE LAKE BLVD</b> <b>SUITE 1400</b> (Street) <b>BLOOMINGTON</b> <b>MN</b> <b>55437</b> (City)                              (State)                              (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>RTW, INC.</b> <b>RTWI</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director                              _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below)                      _____ Other (specify below) <b>President &amp; CEO</b>
3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <b>12/31/2006</b>		6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form filed by One Reporting Person _____ Form filed by More than One Reporting Person
4. If Amendment, Date Original Filed (Month/Day/Year)		
<b>Table I -- Non-Derivative Securities Beneficially Owned</b>		

1. Title of Security (Instr. 3)	2. Trans- action Date (Month/ Day/ Year)	2A. Deemed Execu- tion 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Owner- ship (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock							24044 (1)	D	
Common Stock							295	I	By KSOP

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.**

SEC 2270 (9-02)

**FORM 5 (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 at End of Issuer's Year (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

**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/ Jeffrey B. Murphy

12/29/2006

\_\_\_\_\_  
\*\* Signature of Reporting Person

\_\_\_\_\_  
Date

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 control number.

**FOOTNOTES**

Total securities owned include 2,903 shares issued to the reporting owner on April 14, 2006 pursuant to the Company's 1995 Employee Stock Purchase Plan and therefore, exempt under Section 16(b) by virtue of Rule 16b-3(c). Although transactions exempt under Rule 16b-3(c) are not required to be reported, the reporting person is disclosing this acquisition to ensure that current information is available to the public.