

SHEERAN DANIEL C

Form 4

May 04, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SHEERAN DANIEL C

(Last) (First) (Middle)

2601 ELLIOTT AVENUE, #1000

(Street)

SEATTLE, WA 98121

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

REALNETWORKS INC [RNWK]

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

05/03/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify
below) below)

Sr. VP, Music and Video

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/03/2006		M	40,000 A	\$ 3.76 40,000	D	
Common Stock	05/03/2006		S	40,000 D	\$ 10.16 0	D	
Common Stock	05/03/2006		M	10,000 A	\$ 4.86 10,000	D	
Common Stock	05/03/2006		S	10,000 D	\$ 10.09 0	D	
Common Stock	05/03/2006		M	10,000 A	\$ 4.98 10,000	D	

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Common Stock	05/03/2006	S	10,000	D	\$ 10.06	0	D
Common Stock	05/03/2006	M	10,000	A	\$ 4.98	10,000	D
Common Stock	05/03/2006	S	10,000	D	\$ 10.04	0	D
Common Stock	05/03/2006	M	10,000	A	\$ 4.98	10,000	D
Common Stock	05/03/2006	S	10,000	D	\$ 10.09	0	D

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

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SEC 1474
(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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 3.76	05/03/2006		M		40,000		11/01/2002 ⁽¹⁾	08/05/2022	Common Stock	40,000
Employee Stock Option (Right to Buy)	\$ 4.86	05/03/2006		M		10,000		01/21/2006 ⁽²⁾	07/21/2012	Common Stock	10,000
Employee Stock Option (Right to Buy)	\$ 4.98	05/03/2006		M		10,000		08/01/2003 ⁽³⁾	04/22/2023	Common Stock	10,000
	\$ 4.98	05/03/2006		M		10,000		08/01/2003 ⁽³⁾	04/22/2023		10,000

Employee
Stock
Option
(Right to
Buy)

Common
Stock

Employee
Stock
Option
(Right to
Buy)

\$ 4.98

05/03/2006

M

10,000

08/01/2003⁽³⁾

04/22/2023

Common
Stock

10,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHEERAN DANIEL C 2601 ELLIOTT AVENUE, #1000 SEATTLE, WA 98121			Sr. VP, Music and Video	

Signatures

/s/ Daniel C.
Sheeran

05/04/2006

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) 10% of the options vest on November 1, 2002, and an additional 10% of the options vest upon the completion of each successive six months of employment thereafter until the options are fully vested on May 1, 2007.
- (2) 12.5% of the options vest on January 21, 2006, and an additional 12.5 % of the options vest upon the completion of each successive six months of employment thereafter until the options are fully vested on July 21, 2009.
- (3) 10% of the options vest on August 1, 2003, and an additional 10% of the options vest upon the completion of each successive six months of employment thereafter until the options are fully vested on February 1, 2008.

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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