

REALNETWORKS INC
Form 4
November 08, 2007

FORM 4

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

OMB APPROVAL

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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 *
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)
11/06/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP, Corp. Ptrnrshps. & Bs. Dev

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 11/06/2007 | | M | | 5,000 | A | \$ 3.76 |
| Common Stock | 11/06/2007 | | S | | 5,000 | D | \$ 7.02 |
| Common Stock | 11/06/2007 | | M | | 10,000 | A | \$ 4.98 |
| Common Stock | 11/06/2007 | | S | | 10,000 | D | \$ 7.02 |
| Common Stock | 11/06/2007 | | M | | 3,000 | A | \$ 4.86 |

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| | | | | | | | |
|--------------|------------|---|--------|---|---------|--------|---|
| Common Stock | 11/06/2007 | S | 3,000 | D | \$ 7.02 | 27,538 | D |
| Common Stock | 11/06/2007 | M | 3,303 | A | \$ 4.86 | 30,841 | D |
| Common Stock | 11/06/2007 | S | 3,303 | D | \$ 7.01 | 27,538 | D |
| Common Stock | 11/06/2007 | M | 13,697 | A | \$ 4.86 | 41,235 | D |
| Common Stock | 11/06/2007 | S | 13,697 | D | \$ 7.03 | 27,538 | D |

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 Security (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 | 11/06/2007 | | M | 5,000 | 11/01/2002 ⁽¹⁾ 08/05/2022 | Common Stock | 5,000 | |
| Employee Stock Option (Right to Buy) | \$ 4.98 | 11/06/2007 | | M | 10,000 | 08/01/2003 ⁽²⁾ 04/22/2023 | Common Stock | 10,000 | |
| Employee Stock Option (Right to Buy) | \$ 4.86 | 11/06/2007 | | M | 20,000 | 01/21/2006 ⁽³⁾ 07/21/2012 | Common Stock | 20,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SHEERAN DANIEL C 2601 ELLIOTT AVENUE, #1000 SEATTLE, WA 98121 | | | SVP, Corp. Ptnrshps. & Bs. Dev | |

Signatures

/s/ Daniel
Sheeran 11/07/2007

 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 became vested on 11/01/2002, and an additional 10% of the options became vested every six months thereafter through 11/01/2006; the remaining 10% of the options will become vested on 05/01/2007.
- (2) 10% of the options became vested on 08/01/2003, and an additional 10% of the options became vested every six months thereafter through 08/01/2006; 10% of the options will become vested on each of 02/01/2007, 08/01/2007 and 02/01/2008.
- (3) 12.5% of the options became vested on 01/21/06, and an additional 12.5% of the options will become vested upon the completion of each successive six months of employment thereafter until the options become fully vested on 07/21/2009.

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