

REALNETWORKS INC

Form 4

November 30, 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
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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)

11/29/2006

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)

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	11/29/2006		M	5,000 A	\$ 3.76 5,000	D	
Common Stock	11/29/2006		S	5,000 D	\$ 11.33 0	D	
Common Stock	11/29/2006		M	5,000 A	\$ 4.98 5,000	D	
Common Stock	11/29/2006		S	5,000 D	\$ 11.33 0	D	
Common Stock	11/29/2006		M	10,000 A	\$ 4.86 10,000	D	

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Common Stock	11/29/2006	S	10,000	D	\$ 11.33	0	D
Common Stock	11/29/2006	M	80,000	A	\$ 5.94	80,000	D
Common Stock	11/29/2006	S	80,000	D	\$ 11.33	0	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	11/29/2006		M		5,000		11/01/2002 ⁽¹⁾	08/05/2022	Common Stock	5,000
Employee Stock Option (Right to Buy)	\$ 4.98	11/29/2006		M		5,000		08/01/2003 ⁽²⁾	04/22/2023	Common Stock	5,000
Employee Stock Option (Right to Buy)	\$ 4.86	11/29/2006		M		10,000		01/21/2006 ⁽³⁾	07/21/2012	Common Stock	10,000
Employee Stock Option (Right to Buy)	\$ 5.94	11/29/2006		M		80,000		02/13/2003 ⁽⁴⁾	10/12/2021	Common Stock	80,000

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
Sheeran

11/30/2006

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 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.
- (4) 30% of the options became vested on 02/13/2003, and an additional 10% of the options became vested upon the completion of each successive six months of employment thereafter until the options became fully vested on 08/13/2006.

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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