

KIMBALL ROBERT R
 Form 4
 May 04, 2006

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 *
KIMBALL ROBERT R

(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)
05/02/2006

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 General Counsel Secretary

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 05/02/2006 | | S | | 1,182 D \$ 10.02 | 188 | D |
| Common Stock | 05/02/2006 | | S | | 188 D \$ 9.88 | 0 | D |
| Common Stock | 05/02/2006 | | M | | 20,000 A \$ 3.76 | 20,000 | D |
| Common Stock | 05/02/2006 | | S | | 20,000 D \$ 10.16 | 0 | D |
| Common Stock | 05/02/2006 | | M | | 20,000 A \$ 3.76 | 20,000 | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|----------|--------|---|
| Common Stock | 05/02/2006 | S | 20,000 | D | \$ 10.14 | 0 | D |
| Common Stock | 05/02/2006 | M | 15,000 | A | \$ 3.23 | 15,000 | D |
| Common Stock | 05/02/2006 | S | 15,000 | D | \$ 10.02 | 0 | D |
| Common Stock | 05/02/2006 | M | 20,000 | A | \$ 3.23 | 20,000 | D |
| Common Stock | 05/02/2006 | S | 20,000 | D | \$ 10 | 0 | D |
| Common Stock | 05/02/2006 | M | 15,000 | A | \$ 3.23 | 15,000 | D |
| Common Stock | 05/02/2006 | S | 15,000 | D | \$ 9.9 | 0 | D |
| Common Stock | 05/02/2006 | M | 10,000 | A | \$ 3.23 | 10,000 | D |
| Common Stock | 05/02/2006 | S | 10,000 | D | \$ 9.95 | 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 | 05/02/2006 | | M | 20,000 | 01/27/2003 ⁽¹⁾ | 08/05/2022 | Common Stock | 20,000 |
| Employee Stock | \$ 3.76 | 05/02/2006 | | M | 20,000 | 01/27/2003 ⁽¹⁾ | 08/05/2022 | Common Stock | 20,000 |

Option
(Right to
Buy)

Employee
Stock

| | | | | | | | | |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|
| Option | \$ 3.23 | 05/02/2006 | M | 15,000 | 11/01/2002 ⁽²⁾ | 01/27/2023 | Common Stock | 15,0 |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|

Employee
Stock

| | | | | | | | | |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|
| Option | \$ 3.23 | 05/02/2006 | M | 20,000 | 11/01/2002 ⁽²⁾ | 01/27/2023 | Common Stock | 20,0 |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|

Employee
Stock

| | | | | | | | | |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|
| Option | \$ 3.23 | 05/02/2006 | M | 15,000 | 11/01/2002 ⁽²⁾ | 01/27/2023 | Common Stock | 15,0 |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|

Employee
Stock

| | | | | | | | | |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|
| Option | \$ 3.23 | 05/02/2006 | M | 10,000 | 11/01/2002 ⁽²⁾ | 01/27/2023 | Common Stock | 10,0 |
|--------|---------|------------|---|--------|---------------------------|------------|-----------------|------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KIMBALL ROBERT R 2601 ELLIOTT AVENUE, #1000 SEATTLE, WA 98121 | | | SVP General Counsel Secretary | |

Signatures

/s/Robert
Kimball

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 July 27, 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 January 27, 2008.
 - (2) 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.

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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