

REALNETWORKS INC

Form 4

August 02, 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 *
Schutzler Michael

(Last) (First) (Middle)

2601 ELLIOTT AVENUE, SUITE
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)

07/31/2006

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, Games & Ad Ops.

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	07/31/2006		M	3,000 A	\$ 4.92 3,000	D	
Common Stock	07/31/2006		S ⁽¹⁾	3,000 D	\$ 9.798 ⁽²⁾ 0	D	
Common Stock	07/31/2006		M	3,000 A	\$ 5.09 3,000	D	
Common Stock	07/31/2006		S ⁽¹⁾	3,000 D	\$ 9.9164 ⁽³⁾ 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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 4.92	07/31/2006		M	3,000	03/29/2005 ⁽⁴⁾ 10/06/2024	Common Stock	3,000
Employee Stock Option (Right to Buy)	\$ 5.09	07/31/2006		M	3,000	02/23/2006 ⁽⁵⁾ 08/27/2024	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Schutzler Michael 2601 ELLIOTT AVENUE SUITE 1000 SEATTLE, WA 98121	Sr. VP, Games & Ad Ops.

Signatures

/s/ Michael
Schutzler 08/02/2006

**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) This transaction was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$9.88 and the lowest price at which shares were sold was \$9.71.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$9.94 and the lowest price at which shares were sold was \$9.88.
- (4) 10% of the options vest on 03/29/2005, and an additional 10% of the options vest upon the completion of each successive six months of employment thereafter until the options become fully vested on 09/29/2009.
- (5) 10% of the options vest on 02/23/2006, and an additional 10% of the options vest upon the completion of each six months of employment thereafter until the options are fully vested on 08/23/2009.

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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