

STRATFOLD CARLA
Form 4
May 10, 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 *
STRATFOLD CARLA

(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)
05/09/2006

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)

Sr. VP, North American Sales

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	05/09/2006		M		60,000 A \$ 6.12	67,886	D
Common Stock	05/09/2006		S		60,000 D \$ 10.35	7,886	D
Common Stock	05/09/2006		M		20,000 A \$ 3.76	27,886	D
Common Stock	05/09/2006		S		20,000 D \$ 10.35	7,886	D
Common Stock	05/09/2006		M		10,000 A \$ 3.76	17,886	D

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Common Stock 05/09/2006 S 10,000 D \$ 10.385 7,886 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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 6.12	05/09/2006		M	60,000	11/01/2003 ⁽¹⁾ 07/24/2023	Common Stock	60,000
Employee Stock Option (Right to Buy)	\$ 3.76	05/09/2006		M	20,000	11/01/2002 ⁽²⁾ 08/05/2022	Common Stock	20,000
Employee Stock Option (Right to Buy)	\$ 3.76	05/09/2006		M	10,000	11/01/2002 ⁽²⁾ 08/05/2022	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address

Relationships

STRATFOLD CARLA
2601 ELLIOTT AVENUE
SUITE 1000
SEATTLE, WA 98121

Director 10% Owner Officer Other

Sr. VP, North American Sales

Signatures

/s/ Carla
Stratfold

05/10/2006

__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 11/01/2003, 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 05/01/2008.
 - (2) 10% of the options vest on 11/01/2002, 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 05/01/2007.

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.