REALNETWORKS INC

Form 3

August 27, 2007

FORM 3

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

OMB

response...

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OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Williams Robert John

(Last)

(First)

(Middle)

Statement

(Month/Day/Year)

08/16/2007

2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol

REALNETWORKS INC [RNWK]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Sr. VP, Music Products

5. If Amendment, Date Original

Filed(Month/Day/Year)

2601 ELLIOTT

AVENUE, Â SUITE 1000

(Street)

Director _X__ Officer

10% Owner Other (give title below) (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting

Person

Form filed by More than One

Reporting Person

4. Nature of Indirect Beneficial

SEATTLE, WAÂ 98121

(City) (State)

1. Title of Security (Instr. 4)

(Zip)

2. Amount of Securities Beneficially Owned

(Instr. 4)

(I) (Instr. 5)

Ownership Form:

Table I - Non-Derivative Securities Beneficially Owned

Ownership (Instr. 5)

Direct (D) or Indirect

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and **Expiration Date** (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative

5. Ownership Form of Derivative

6. Nature of Indirect Beneficial Ownership

Date Exercisable Expiration

Date

Title

Amount or Number of Shares

Security

Security: Direct (D) or Indirect (I)

(Instr. 5)

						(Instr. 5)	
Employee Stock Option (Right to Buy)	07/08/2005(1)	07/05/2012	Common Stock	100,000	\$ 5	D	Â
Employee Stock Option (Right to Buy)	03/15/2006(2)	03/15/2013	Common Stock	20,000	\$ 8.27	D	Â
Employee Stock Option (Right to Buy)	11/09/2006(3)	11/09/2013	Common Stock	50,000	\$ 11.38	D	Â
Employee Stock Option (Right to Buy)	04/06/2007(4)	04/06/2014	Common Stock	135,000	\$ 7.69	D	Â
Employee Stock Option (Right to Buy)	08/16/2007(5)	08/16/2014	Common Stock	70,000	\$ 5.65	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships					
F	Director	10% Owner	Officer	Other		
Williams Robert John 2601 ELLIOTT AVENUE SUITE 1000 SEATTLE, WA 98121	Â	Â	Sr. VP, Music Products	Â		

Signatures

/s/ Robert J.
Williams

**Signature of Reporting Person

O8/21/2007

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) 20% of the options became vested on 07/05/2006, and an additional 10% of the options vest upon the completion of each successive six months of employment until the options become fully vested on 07/05/2010.
- (2) 12.5% of the options became vested on 07/01/2006, and an additional 12.5% of the options vest upon the completion of each successive six months of employment until the options become fully vested on 01/01/2010.
- (3) 12.5% of the options became vested on 05/09/2007, and an additional 12.5% of the options vest upon the completion of each successive six months of employment until the options become fully vested on 11/09/2010.
- (4) 12.5% of the options will vest on 10/06/07, and an additional 12.5% of the options vest upon the completion of each successive six months of employment until the options become fully vested on 04/06/2011.
- (5) 12.5% of the options will become vested on 2/16/08, and an additional 12.5% of the options will vest upon the completion of each successive six months of employment thereafter until the options become fully vested on 8/16/2011.

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.

Reporting Owners 2