

LUNSFORD MICHAEL C
 Form 4
 June 02, 2011

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 *
 LUNSFORD MICHAEL C

(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)
 05/31/2011

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)
 Interim Chief Exec. Officer

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 Reported (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|-------|
| | | | | (A) or (D) | Transaction(s) Price | | | |
| | | | | Code | V | Amount | (D) | Price |

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

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.

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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title Underl (Instr. 3) |
|--|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|----------------------------|
|--|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|----------------------------|

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| Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) | | Date Exercisable | Expiration Date | Title | |
|--|---------------------|------------|------------------------------------|-----|------------------|---------------------------|------------|------------|
| | | | (A) | (D) | | | | |
| Performance-based Restricted Stock Units | \$ 0 ⁽¹⁾ | 05/31/2011 | A | V | 175,000 | 04/01/2012 ⁽²⁾ | 04/01/2018 | Com Sto |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LUNSFORD MICHAEL C 2601 ELLIOTT AVENUE SUITE 1000 SEATTLE, WA 98121 | | | Interim Chief Exec. Officer | |

Signatures

/s/ Michael
Lunsford

06/02/2011

**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) Converts into Common Stock on a unit-for-share basis upon vesting.

On May 31, 2011, the reporting individual was granted 175,000 performance-based restricted stock units ("PRSUs") that will vest as to a maximum of 100% of the shares on April 1, 2012, provided certain performance criteria are satisfied by such date. Up to one-third of the

- (2) PRSUs units will vest based on the Company's achievement of certain strategic goals, up to an additional one-third of the PRSUs will vest based on the Company's achievement of certain transitional goals, and up to an additional one-third of the PRSUs will vest based on the Company's achievement of certain operational goals.

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.