

CUNNINGHAM JOHN E IV
 Form 4
 October 24, 2012

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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 *
 CUNNINGHAM JOHN E IV

2. Issuer Name and Ticker or Trading Symbol
 REALNETWORKS INC [RNWK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 2601 ELLIOTT AVENUE
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 10/23/2012

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

SEATTLE, WA 98121

4. If Amendment, Date Original Filed(Month/Day/Year)

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

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	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 Price of	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security			Code	V	(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					(A)	(D)				
Stock Option (Right to Buy)	\$ 7.78	10/23/2012	A				10/23/2013 ⁽¹⁾	10/23/2019	Common Stock	6,250
Restricted Stock Units	\$ 0 ⁽²⁾	10/23/2012	A				10/23/2013 ⁽³⁾	⁽³⁾	Common Stock	5,784

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CUNNINGHAM JOHN E IV 2601 ELLIOTT AVENUE SEATTLE, WA 98121			X	

Signatures

/s/ Drew G. Markham,
Attorney-in-Fact

10/24/2012

**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).

- The shares subject to the option grant will vest and become exercisable in 12 substantially equal monthly installments until the option
- (1) becomes fully vested and exercisable on the first anniversary of the date of grant, provided that the reporting individual continues to serve as a director of RealNetworks through such date.
 - (2) Each restricted stock unit represents a contingent right to receive one share of RealNetwork common stock.
- The restricted stock units will vest in 12 substantially equal monthly installments until the restricted stock units become fully vested on
- (3) the first anniversary of the date of grant, provided that the reporting individual continues to serve as a director of RealNetworks through such date. The share distribution date applicable to the restricted stock units is the sooner to occur of (1) the first anniversary of the date of grant or (2) the date of separation from the Board.

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.