ROSETTA STONE INC

Form 4

February 19, 2014

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

Section 16. Form 4 or Form 5 obligations may continue.

Check this box

if no longer

subject to

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Verses Judy

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

ROSETTA STONE INC [RST]

(Check all applicable)

President, Global Institut'l

(Last)

(First)

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

02/14/2014

Director X_ Officer (give title below)

10% Owner Other (specify

C/O ROSETTA STONE INC., 1919 NORTH LYNN STREET, 7TH

(Street)

FLOOR

4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

ARLINGTON, VA 22209

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. Transaction(A) or Disposed of Code (D) (Instr. 3, 4 and 5) (Instr. 8)

(1)

4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Ownership Owned Indirect (I) Following (Instr. 4) (Instr. 4) Reported

(A) Transaction(s) or (Instr. 3 and 4)

Price (D)

Code V Amount 10.033

\$0 A $32,189 \stackrel{(2)}{=}$

D

02/14/2014 Stock

Common

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

A

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)

Edgar Filing: ROSETTA STONE INC - Form 4

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. Transacti Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed o (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)	
				Code V	(A) (D	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Options	\$ 10.42					<u>(3)</u>	10/05/2021	Common Stock	65,000
Employee Stock Option	\$ 8.95					<u>(4)</u>	02/23/2022	Common Stock	3,151
Employee Stock Option	\$ 12.47					(5)	02/21/2023	Common Stock	8,155
Common Stock	\$ 11.96 (6)	02/14/2014		A	35,472	<u>(7)</u>	02/14/2024	Employee Stock Option	35,472

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Verses Judy C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209

President, Global Institut'l

Signatures

Bruce C. Ghrist, Attorney-in-fact

**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) These shares are subject to forfeiture restrictions that lapse one-quarter per annum beginning one year from February 14, 2014, the date of grant.
- (2) Includes 13,717 shares of restricted common stock on which the restrictions have not yet lapsed.
- (3) Includes aggregate of 32,500 vested options. Options shall vest at one-quarter per annum, beginning one year from October 5, 2011, the date of grant.

Reporting Owners 2

Edgar Filing: ROSETTA STONE INC - Form 4

- (4) Includes an aggregate of 788 vested options. Options shall vest at a rate of one-quarter per annum, beginning one year from February 23, 2012, the date of grant.
- (5) Includes an aggregate of zero fully vested options. Options shall vest at a rate of one-quarter per annum, beginning one year from February 21, 2013, the date of grant.
- (6) The exercise price is equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on February 13, 2014.
- (7) Options shall vest at a rate of one-quarter per annum, beginning one year from February 14, 2014, the date of grant.

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.