

Wu Michael C  
 Form 4  
 February 27, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
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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 \*  
 Wu Michael C

2. Issuer Name and Ticker or Trading Symbol  
 ROSETTA STONE INC [RST]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 C/O ROSETTA STONE INC., 1919  
 NORTH LYNN STREET, 7TH  
 FLOOR

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/23/2012

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 General Counsel & Secretary

(Street)  
 ARLINGTON, VA 22209

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 (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/23/2012		A	4,872 (1)	\$ 0	50,010	D

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

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**



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- (2) Includes an aggregate of 29,133 fully vested shares. Options vest at 1/16 per quarter.
- (3) Includes an aggregate of 7,459 fully vested shares. Options vest at 1/4 per annum.
- (4) Includes an aggregate of 4,614 fully vested shares. Options vest at 1/4 per annum.
- (5) No options vested. Options vest at 1/4 per annum.
- (6) Options shall vest at a rate of 1/4 per annum beginning one year from February 23, 2012, the date of grant.
- (7) The exercise price is equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on February 23, 2012, 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.

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