

ROSETTA STONE INC
Form 4
February 19, 2014

FORM 4

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

OMB APPROVAL

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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 *
PIERNO THOMAS M

(Last) (First) (Middle)

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

(Street)

ARLINGTON, VA 22209

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
02/14/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	02/14/2014		A	(A) or (D) A	Amount 15,050 (1) Price \$ 0	32,042 (2)	D

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

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(9-02)

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

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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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (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 Option	\$ 10.55							(3)	05/04/2022	Common Stock	50,000	
Employee Stock Option	\$ 12.47							(4)	02/21/2023	Common Stock	8,155	
Employee Stock Option	\$ 11.76 <u>(5)</u>	02/14/2014		A				53,208	(6)	02/14/2024	Common Stock	53,208

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PIERNO THOMAS M C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209			Chief Financial Officer	

Signatures

Bruce C. Ghrist,
Attorney-in-fact

02/19/2014

 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 14,458 shares of restricted common stock on which the restrictions have not yet lapsed.
- (3) Includes an aggregate of 12,500 fully vested options. Options shall vest at a rate of one-quarter per annum beginning one year from May 4, 2012, the date of grant.
- (4) 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.
- (5) 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.

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(6) 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.