

ROSETTA STONE INC  
Form 4  
May 22, 2014

**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 \*  
**GROSS PATRICK W**

(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)  
**05/20/2014**

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)

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) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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

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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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--|

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| Security (Instr. 3)   | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) |                  |                 |              |                            |
|-----------------------|--|----------------------|-----------------|---|------------------|------------------|------------------|-----------------|--------------|----------------------------|
|                       |  |                      | Code            | V   | (A)              | (D)              | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
| Stock Option          | \$ 9.42 <sup>(1)</sup>                   | 05/20/2014           | A               |   | 9,571            |                  | <sup>(2)</sup>   | 05/20/2024      | Common Stock | 9,571 <sup>(2)</sup>       |
| Restricted Stock Unit | \$ 0                                     | 05/20/2014           | A               |   | 11,145           |                  | <sup>(3)</sup>   | <sup>(3)</sup>  | Common Stock | 11,145 <sup>(3)</sup>      |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| GROSS PATRICK W<br>C/O ROSETTA STONE INC.<br>1919 NORTH LYNN STREET, 7TH FLOOR<br>ARLINGTON, VA 22209 | X             |           |         |       |

## Signatures

Bruce C. Ghrist,  
Attorney-in-fact

05/22/2014

        \*\*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) The exercise price is equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on May 20, 2014, the date of grant.
- (2) Options vest at a rate of 1/4 per quarter.
- (3) Restricted Stock Units are fully vested upon award. Delivery of shares to the reporting person will be made after the date of the reporting person's separation from service to the Board of Directors.

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.