

ROSETTA STONE INC  
Form 4  
May 20, 2016

**FORM 4**

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

OMB APPROVAL

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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 \*  
Nierenberg David

(Last) (First) (Middle)

19605 NE 8TH STREET

(Street)

CAMAS, WA 98607

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/19/2016

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 Indirect Beneficial 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 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 (A) | 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 | 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) | \$ 7.7 <sup>(1)</sup> | 05/19/2016 | A    |   |   |     | <sup>(2)</sup>   | 05/19/2026      | Common Stock | 14,451                     |
| Restricted Stock Unit       | <sup>(4)</sup>        | 05/19/2016 | A    |   |   |     | <sup>(5)</sup>   | <sup>(5)</sup>  | Common Stock | 14,286                     |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| Nierenberg David<br>19605 NE 8TH STREET<br>CAMAS, WA 98607 |               | X         |         |       |

## Signatures

Sonia G. Cudd,  
Attorney-in-fact  
  
Date: 05/20/2016

         \*\*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 Issuer on the New York Stock Exchange on May 19, 2016, the date of grant.
- (2) Options vest at a rate of 1/4 per quarter over one year and become fully vested on May 19, 2017.
- (3) The Reporting Person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (4) Each RSU represents the right to receive one share of common stock of the Issuer.
- (5) RSUs vest at a rate of 1/4 per quarter and become fully vested on May 19, 2017. Delivery of shares entitled to the Reporting Person will be made upon the Reporting Person's separation from service to the Board of Directors.
- (6) Includes 15,906 shares of RSUs on which forfeiture restrictions have not yet lapsed.

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.