## Edgar Filing: ROSETTA STONE INC - Form 4

ROSETTA STONE Form 4 August 20, 2009	EINC							
	UNITED STATI					COMMISSIO	-	PPROVAL 3235-0287
Washington, D.C. 20549Check this box if no longer subject to Section 16.Form 4 or Form 5 obligations may continue.STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIESForm 5 obligations may continue.Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, 							Expires: Estimated burden hou response	urs per
(Print or Type Response	es)							
1. Name and Address of CLOUGH PHILLI	Symbol		I Ticker or	-	5. Relationship of Reporting Person(s) to Issuer			
(Last) (Fin 400 EAST PRATT 910	rst) (Middle)	(Month/D	-	ransaction		_X_ Director	eck all applicabl	
(Str		4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
BALTIMORE, MI	D 21202					Person	More than One R	eporting
(City) (Sta	ate) (Zip)	Tabl	e I - Non-I	Derivative	Securities A	cquired, Disposed	of, or Beneficia	lly Owned
	any	on Date, if	3. Transactio Code (Instr. 8) Code V	4. Securiti nAcquired ( Disposed ( (Instr. 3, 4) Amount	(A) or of (D)	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 Indirect Beneficial Ownership (Instr. 4)
Reminder: Report on a	separate line for each	class of secu	rities benef	Person inform require	ns who res ation cont ed to respo ys a curre	or indirectly. Spond to the collection ained in this forn and unless the fo ntly valid OMB co	n are not rm	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	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Price
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onof	Expiration Date	Underlying Securities	Derivat
Security	or Exercise		any	Code	Derivative	(Month/Day/Year)	(Instr. 3 and 4)	Securit

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(Instr. 3)	Price of Derivative Security	(	(Month/Day/Year)	(Instr. 8)		Securit Acquir (A) or Dispos of (D) (Instr. 2 and 5)	red sed 3, 4,					(Instr. 5
				Code V	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 18							<u>(1)</u>	(1)	Common Stock	2,658	
Stock Option	\$ 20.35	08/19/2009		А		329		<u>(1)</u>	<u>(1)</u>	Common Stock	329	\$ C
Restricted Stock Unit	\$ 20.35	08/19/2009		А		181		(2)	(2)	Common Stock	181	\$ 0

# **Reporting Owners**

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
CLOUGH PHILLIP A 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202	Х	Х						
Signatures								
Michael C. Wu, by Power of Attorney		08/20/200	)9					

<u>\*\*</u>Signature of Reporting Person

**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).

Date

Pursuant to the 2009 Omnibus Incentive Plan, 1/4 of the Stock Options shall be vested and exercisable on the last day of the third month (1) after the date of grant and 1/4 of the shares subject to the option shall become vested each quarter thereafter. 2,658 shares were awarded on 4/15/2009.

(2) The restricted stock units are fully vested. Delivery of the shares to the reporting person will be made after the date of the reporting person's separation from service to the Board of Directors.

### **Remarks:**

### EXHIBIT 24 - Power of Attorney

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.