

Adams Tom Peder Herman  
 Form 4  
 May 31, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 Adams Tom Peder Herman

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/26/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 CEO & President

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

(Street)

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

ARLINGTON, VA 22209

(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)	Code	V	Amount	(D)	Price

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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## Edgar Filing: Adams Tom Peder Herman - Form 4

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 of Number of Shares
Employee Stock Option	\$ 3.85						<u>(1)</u>	05/22/2016	Common Stock	213,564
Employee Stock Option	\$ 18						<u>(2)</u>	04/15/2019	Common Stock	147,579
Employee Stock Option	\$ 25.99						<u>(3)</u>	03/15/2020	Common Stock	65,000
Employee Stock Option	\$ 13.66	05/26/2011	A		55,000		<u>(4)</u>	05/26/2021	Common Stock	55,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Adams Tom Peder Herman C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET 7TH FLOOR ARLINGTON, VA 22209	X		CEO & President	

## Signatures

Michael C. Wu,  
Attorney-in-fact

05/31/2011

\*\*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) Includes an aggregate of 213,564 fully vested shares. Options vest at a rate of 1/16 per quarter.
- (2) Includes an aggregate of 73,790 fully vested shares. Options vest at a rate of 1/4 per annum.
- (3) Includes an Aggregate of 16,250 fully vested shares. Options vest at a rate of 1/4 per annum.
- (4) No options vested. Options vest at 1/4 per annum.

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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