Edgar Filing: Swad Stephen M - Form 4

Swad Stepher Form 4	n M									
February 24,	2012									
									OMB A	PROVAL
FORM	UNITE	UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549							OMB Number:	3235-0287
Check this if no long subject to Section 16 Form 4 or Form 5 obligation may conti <i>See</i> Instru 1(b).	er STAT 5. Filed p ¹⁸ Section 1	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						Expires: January 31, 2005 Estimated average burden hours per response 0.5		
(Print or Type R	esponses)									
Swad Stephen M Sym			Symbol	2. Issuer Name and Ticker or Trading Symbol ROSETTA STONE INC [RST]				5. Relationship of Reporting Person(s) to Issuer		
(Last)	(First)	(Middle)		Earliest Tra	-			(Chec	k all applicable	:)
C/O ROSET	TA STONE II NN STREET,	NC., 7919	(Month/D 02/22/20	ay/Year)	ansaction			_X_ Director _X_ Officer (give below) CEC		Owner er (specify
	(Street) 4. If Amend Filed(Month/				-			 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person 		
ARLINGTO	N, VA 22209								Aore than One Re	
(City)	(State)	(Zip)	Table	e I - Non-D	erivative S	ecurit	ies Acq	uired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction I (Month/Day/Ye	ear) Execution any	on Date, if	3. Transactic Code (Instr. 8) Code V	on(A) or Dis (D)	sposed	of	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	
Common Stock	02/22/2012			A	48,500 (1)	A	\$0	272,317	D	

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

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 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. Transactio Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option	\$ 22.39	11/12/2010		А	150,000	(2)	11/09/2020	Common Stock	150,00 <u>(3)</u>
Employee Stock Option	\$ 8.76	02/22/2012		А	125,000	(2)	02/22/2022	Common Stock	125,00

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Swad Stephen M C/O ROSETTA STONE INC. 7919 NORTH LYNN STREET, TH FLOOR ARLINGTON, VA 22209	Х		CEO and President			
ARLINGTON, VA 22209						

Signatures

Michael C. Wu,	
Attorney-in-fact	02/24/2012
**Signature of Reporting Person	Date

**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).
- These shares are subject to forfeiture restrictions that lapse one-quarter per annum beginning one year from February 22, 2012, the date of (1) grant.
- (2) Options shall vest at a rate of one-quarter per annum, beginning one year from February 22, 2012, the date of grant.
- Includes an aggregate of 37,500 fully vested shares. Options shall vest at a rate of one-quarter per annum. (3)
- The exercise price is equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on February 22, (4) 2012, 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.