

ROSETTA STONE INC
Form 4
April 17, 2015

FORM 4

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

OMB APPROVAL

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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)
04/15/2015

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) | Price | | | |
| | | | | 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 | 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 | | | (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------|------------------------|------------|---|-------|---------------------|--------------------|-----------------|--|
| | | | Code | V | | | | |
| Stock Option | \$ 7.95 ⁽¹⁾ | 04/15/2015 | A | 1,771 | ⁽²⁾ | 04/14/2024 | Common Stock | 1,771 |
| Restricted Stock Unit | \$ 0 | 04/15/2015 | A | 1,080 | ⁽³⁾ | 04/14/2024 | Common Stock | 1,080 |

Reporting Owners

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

Signatures

David
Nierenberg 04/17/2015

**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 April 15, 2015, the date of grant.

(2) Pursuant to the Rosetta Stone Inc. 2009 Omnibus Incentive Plan, as amended and restated, 1/4 of the stock options shall be vested and exercisable on the last day of the third month after the date of grant and 1/4 of the shares subject to the option shall become vested each quarter thereafter.

(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.

(4) By The D3 Family Fund, L.P. (Family Fund), and The D3 Bulldog Fund, L.P. (Bulldog Fund), for which Nierenberg Investment Management Company, Inc. (NIMCO) serves as the general partner. The reporting person serves as President of NIMCO. Under the terms of the partnership agreements governing the Funds, all compensation payable by the Issuer to the reporting person is required to be assigned to the Funds.

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.