ROSETTA STONE INC

Form 4 April 06, 2016

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

3235-0287 Number:

Expires:

January 31, 2005

Estimated average burden hours per

response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Hass A John

2. Issuer Name and Ticker or Trading Symbol

ROSETTA STONE INC [RST]

5. Relationship of Reporting Person(s) to

Issuer

(Last)

(City)

Common

Common

Stock

Stock

(First)

(Middle)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year) 04/04/2016

(Check all applicable)

_X__ Director 10% Owner X_ Officer (give title Other (specify below)

President & CEO

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

(State)

04/04/2016

(Street) 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

ARLINGTON, VA 22209

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	

3.	4. Securities Acquired
Transactio	n(A) or Disposed of
Code	(D)
(Instr. 8)	(Instr. 3, 4 and 5)
	(A)
	(A)

50,704

70,423

(1)

5. Amount of
Securities
Beneficially
Owned
Following
Reported
Transaction(s)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

6. Ownership	7. Nature of
Form: Direct	Indirect
(D) or	Beneficial
Indirect (I)	Ownership
(Instr. 4)	(Instr. 4)

Code V Amount A

(Instr. 3 and 4) Price (D) A \$0

\$0

or

D 93,308

D

04/04/2016 Stock Common 04/04/2016 A (2) 70,423 A

(3)

\$0 163,731

D

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

234,154

SEC 1474 (9-02)

Edgar Filing: ROSETTA STONE INC - Form 4

displays a currently valid OMB control number.

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 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 or Derivative 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 or Number of Shares
Stock Option (right to buy)	\$ 7.1 (4)	04/04/2016		A	314,465	<u>(5)</u>	04/04/2026	Common Stock	314,465
Stock Option (right to buy)	\$ 7.1 (4)	04/04/2016		A	314,465	<u>(6)</u>	04/04/2026	Common Stock	314,465

Reporting Owners

Reporting Owner Name / Address		Relationships					
	Director	10% Owner	Officer	Other			

Hass A John

C/O ROSETTA STONE INC.

1919 NORTH LYNN STREET, 7TH FLOOR X President & CEO

ARLINGTON, VA 22209

Signatures

Sonia G. Cudd, Attorney-in-fact 04/06/2016

**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) These shares are subject to forfeiture restrictions that lapse 1/12 per month over twelve months beginning May 1, 2016.
- These shares are subject to achievement of 2016 financial and operational performance goals and subject to forfeiture restrictions that (2) lapse on the anniversary of the date of grant over three years, at a rate of 1/2, 1/4 and 1/4 per year, respectively, beginning on the first anniversary of the date of grant.
- (3) These shares are subject to achievement of cumulative total shareholder return over 2016 and 2017 and subject to forfeiture restrictions that lapse on the anniversary of the date of grant, at a rate of 1/3 per year, beginning on the second anniversary of the date of grant.

Reporting Owners 2

Edgar Filing: ROSETTA STONE INC - Form 4

- (4) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on April 4, 2016, the date of grant.
- (5) These options are subject to achievement of 2016 financial and operational performance goals and shall vest on the anniversary of the date of grant over three years, at a rate of 1/2, 1/4 and 1/4 per year, respectively, beginning on the first anniversary of the date of grant.
- (6) These options are subject to achievement of cumulative total shareholder return over 2016 and 2017 and shall vest on the anniversary date of the date of grant over three years, at a rate of 1/3 per year, beginning on the second anniversary of 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.