

Gaehde Nicholas C
 Form 3
 August 23, 2017

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
 OMB Number: 3235-0104
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Gaehde Nicholas C | | (Month/Day/Year) | ROSETTA STONE INC [RST] | |
| (Last) | (First) | (Middle) | 08/21/2017 | |
| 1621 NORTH KENT STREET, Â SUITE 1200 | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| ARLINGTON, Â VA Â 22209 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | President, Lexia Learning | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 58,225 | D ⁽¹⁾ | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
|--|--|---|--|--|---|

Edgar Filing: Gaehde Nicholas C - Form 3

| | Date Exercisable | Expiration Date | | Amount or Number of Shares | | or Indirect (I) (Instr. 5) | |
|--------------------------------------|------------------|-----------------|--------------|----------------------------|--------------|----------------------------|---|
| Employee Stock Option (right to buy) | Â (2) | 08/15/2023 | Common Stock | 9,421 | \$ 15.91 (3) | D | Â |
| Employee Stock Option (right to buy) | Â (4) | 02/14/2024 | Common Stock | 1,829 | \$ 11.96 (5) | D | Â |
| Employee Stock Option (right to buy) | Â (6) | 02/12/2025 | Common Stock | 3,771 | \$ 9.78 (7) | D | Â |
| Employee Stock Option (right to buy) | Â (8) | 02/19/2026 | Common Stock | 40,391 | \$ 7.47 (9) | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gaehde Nicholas C 1621 NORTH KENT STREET SUITE 1200 ARLINGTON, VA 22209 | Â | Â | Â President, Lexia Learning | Â |

Signatures

Sonia Galindo,
Attorney-in-fact

08/23/2017

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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 47,562 shares of restricted common stock on which forfeiture restrictions have not yet lapsed.
- (2) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, August 15, 2013.
- (3) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on August 15, 2013, the date of grant.
- (4) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 14, 2014.
- (5) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 14, 2014, the date of grant.
- (6) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 12, 2015.
- (7) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 12, 2015, the date of grant.
- (8) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 19, 2016.
- (9) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 19, 2016, the date of grant.

Â

Remarks:

Mr. Gaehde was designated a Section 16 Officer, effective August 21, 2017, by the Rosetta Stone

Edgar Filing: Gaehde Nicholas C - Form 3

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.