ROSETTA STONE INC

Form 4 May 22, 2014

FORM 4

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

OMB 3235-0287

Check this box if no longer

subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Number: January 31, Expires: 2005

0.5

OMB APPROVAL

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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 * KONDRACKE MARGUERITE

2. Issuer Name and Ticker or Trading Symbol

ROSETTA STONE INC [RST]

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

below)

(Last)

Security

(Instr. 3)

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year)

X_ Director Officer (give title

10% Owner Other (specify

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

> (Street) 4. If Amendment, Date Original

05/20/2014

Filed(Month/Day/Year)

Code

(Instr. 8)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

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

ARLINGTON, VA 22209

(City) (State) (Zip) 1. Title of 2. Transaction Date 2A. Deemed

3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or 5. Amount of Securities Beneficially Owned

Following

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

Reported (A) or

Code V Amount (D) Price

Transaction(s) (Instr. 3 and 4)

Disposed of (D)

(Instr. 3, 4 and 5)

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

(Month/Day/Year)

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)

(Instr. 4)

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

1. Title of Derivative Conversion

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if Transaction of Derivative Expiration Date

5. Number

6. Date Exercisable and

7. Title and Amount of 8 Underlying Securities

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Securities (Month/Day/Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		/Year)	(Instr. 3 and 4)	
				Code V	(A) (I	D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 9.42 (1)	05/20/2014		A	9,571	(2)	05/20/2024	Common Stock	9,571 (2)
Restricted Stock Unit	\$ 0	05/20/2014		A	5,838	(3)	(3)	Common Stock	5,838 (3)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KONDRACKE MARGUERITE C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209

X

Signatures

Bruce C. Ghrist, Attorney-in-fact

05/22/2014

**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 Corporation on the New York Stock Exchange on May 20, 2014, the date of grant.
- (2) Options vest at a rate of 1/4 per quarter.
- (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.

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.

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