

ROSETTA STONE INC  
Form 4  
May 31, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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 1(b).

**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 \*  
WITT LAURA

(Last) (First) (Middle)

400 EAST PRATT STREET, SUITE 910

(Street)

BALTIMORE, MD 21202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ROSETTA STONE INC [RST]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/26/2011

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Amount  |  |  |
|                                 |                                      |  |                                | Code  | V   |  | 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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)               | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of<br>Shares |
|--------------------------|------------------------------------|------------------|------------|---|------|---|-----|-----|---------------------|--------------------|-----------------|--|
| Stock<br>Option          | \$ 18                              |                  |            |   |      |   |     |     | (1)                 | 04/15/2019         | Common<br>Stock | 2,658                                  |
| Stock<br>Option          | \$ 20.35                           |                  |            |   |      |   |     |     | (2)                 | 08/19/2019         | Common<br>Stock | 329                                    |
| Stock<br>Option          | \$ 17.36                           |                  |            |   |      |   |     |     | (3)                 | 08/26/2020         | Common<br>Stock | 2,979<br>(3)                           |
| Stock<br>Option          | \$ 13.66                           | 05/26/2011       |            |   | A    |   |     |     | (4)                 | 05/26/2021         | Common<br>Stock | 3,787<br>(4)                           |
| Restricted<br>Stock Unit | \$ 0                               | 05/26/2011       |            |   | A    |   |     |     | (5)                 | (5)                | Common<br>Stock | 2,196                                  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| WITT LAURA<br>400 EAST PRATT STREET<br>SUITE 910<br>BALTIMORE, MD 21202 | X             | X         |         |       |

## Signatures

Michael C. Wu,  
Attorney-in-fact

05/31/2011

\*\*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) Includes an aggregate of 2,658 fully vested shares. Options shall vest at 1/4 per quarter.

(2) Includes an aggregate of 329 fully vested shares. Options shall vest at 1/4 per quarter.

(3) Includes an aggregate of 2,234 fully vested shares. Options shall vest at 1/4 per quarter.

(4) No options vested. Options shall vest at 1/4 per quarter.

(5) 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.

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