ROSETTA STONE INC

Form 4

March 17, 2010

FORM 4

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

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 *

HELMAN BRIAN D

(Last)

(City)

(First)

(Middle)

(Zip)

03/15/2010

1919 NORTH LYNN STREET 7TH **FLOOR**

(Street)

(State)

2. Issuer Name and Ticker or Trading

Symbol

ROSETTA STONE INC [RST] 3. Date of Earliest Transaction

(Month/Day/Year)

4. If Amendment, Date Original

Filed(Month/Day/Year)

(Check all applicable)

Director 10% Owner

5. Relationship of Reporting Person(s) to

Other (specify X_ Officer (give title below) below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ 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

Issuer

ARLINGTON, VA 22209

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

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

Code V Amount (D) Price

(A)

5. Amount of Securities Beneficially Owned Following Reported

Form: Direct (T) (Instr. 4)

6. Ownership 7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

(9-02)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

Transaction(s) (Instr. 3 and 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form 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

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

Edgar Filing: ROSETTA STONE INC - Form 4

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	or Dispos (D)	(Instr. 3, 4,				
				Code \	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 25.99 (1)	03/15/2010		A	20,581		(2)	03/15/2020	Common Stock	20,581
Employee Stock Option	\$ 6.08						<u>(3)</u>	03/21/2017	Common Stock	106,821 (3)
Employee Stock Option	\$ 18						<u>(4)</u>	04/15/2019	Common Stock	18,148 (4)

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

HELMAN BRIAN D 1919 NORTH LYNN STREET 7TH FLOOR ARLINGTON, VA 22209

Chief Financial Officer

Signatures

Michael C. Wu,

Attorney-in-fact 03/17/2010

**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) Exercise Price is equal to stock price at close of business, March 15, 2010.
- (2) Includes aggregate of 20,581 shares represented by unvested stock awards. Option vests at 1/4 per annum.
- (3) Includes an aggregate of 26,705 shares represented by unvested stock awards. Option vests at 1/16 per quarter.
- (4) Includes an aggregate of 18,148 shares represented by unvested stock awards. Option vests at 1/4 per annum.

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.

Reporting Owners 2