

ROSETTA STONE INC
Form 4
April 06, 2016

FORM 4

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

OMB APPROVAL

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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 *
Hass A John

(Last) (First) (Middle)

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

(Street)

ARLINGTON, VA 22209

(City) (State) (Zip)

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

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

04/04/2016

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)
President & CEO

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 Ownership (Instr. 4)
			Code	V	Amount (D) Price		
Common Stock	04/04/2016		A		50,704 (1) \$ 0 93,308	D	
Common Stock	04/04/2016		A		70,423 (2) \$ 0 163,731	D	
Common Stock	04/04/2016		A		70,423 (3) \$ 0 234,154	D	

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

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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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					(A)	(D)			
Stock Option (right to buy)	\$ 7.1 ⁽⁴⁾	04/04/2016		A	314,465		⁽⁵⁾ 04/04/2026	Common Stock	314,465
Stock Option (right to buy)	\$ 7.1 ⁽⁴⁾	04/04/2016		A	314,465		⁽⁶⁾ 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 ARLINGTON, VA 22209	X		President & CEO	

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 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.

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- (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.

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