

Hartford M. Sean
Form 4
March 14, 2018

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 *
Hartford M. Sean

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
03/12/2018

____ Director _____ 10% Owner
____ Officer (give title below) Other (specify below)
Principal Accounting Officer

C/O ROSETTA STONE INC., 1621 NORTH KENT STREET, SUITE 1200

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

ARLINGTON, VA 22209

(City) (State) (Zip)

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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | | (A) or (D) | Price | | | |
| Common Stock | 03/12/2018 | | S | 2,652 | D | \$ 13.92 | 15,496 (1) | D |
| Common Stock | 03/12/2018 | | M | 2,956 | A | \$ 11.96 | 18,452 | D |
| Common Stock | 03/12/2018 | | M | 943 | A | \$ 9.78 | 19,395 | D |
| Common Stock | 03/12/2018 | | M | 2,164 | A | \$ 7.47 | 21,559 | D |
| | 03/12/2018 | | S | 6,063 | D | | 15,496 (3) | D |

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Common Stock \$ 13.84
(2)

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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (right to buy) | \$ 11.96 | 03/12/2018 | | A | 2,956 | <u>(4)</u> 02/13/2024 | Common Stock | 2,956 |
| Employee Stock Option (right to buy) | \$ 9.78 | 03/12/2018 | | A | 943 | <u>(5)</u> 02/12/2025 | Common Stock | 943 |
| Employee Stock Option (right to buy) | \$ 7.47 | 03/12/2018 | | A | 2,164 | <u>(6)</u> 02/19/2026 | Common Stock | 2,164 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|---------------------------------|
| | Director | 10% Owner | Officer | Other |
| Hartford M. Sean C/O ROSETTA STONE INC. | | | | Principal Accounting Officer |

1621 NORTH KENT STREET, SUITE 1200
ARLINGTON, VA 22209

Signatures

/s/ Sonia Galindo,
Attorney-in-fact

03/14/2018

__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).

This transaction was executed in multiple trades at prices ranging from \$13.90 to \$13.93 per share. The price reported above reflects the
(1) weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer, or security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

This transaction was executed in multiple trades at prices ranging from \$13.82 to \$13.89 per share. The price reported above reflects the
(2) weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer, or security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

(3) Includes 11,999 shares of restricted common stock on which the restrictions have not yet lapsed.

(4) Options vested at a rate of one-quarter per annum, beginning one year from February 14, 2014, the date of grant.

(5) Options shall vest at a rate of one-quarter per annum, beginning one year from February 12, 2015, the date of grant.

(6) Options shall vest at a rate of one-quarter per annum, beginning one year from February 19, 2016, 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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