

Wu Michael C  
 Form 4  
 February 27, 2012

**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 \*  
 Wu Michael C

(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)  
 02/23/2012

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)  
 General Counsel & Secretary

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)
				(A) or (D) Price			
Common Stock	02/23/2012		A	4,872 <u>(1)</u>	\$ 0 50,010	D	

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

**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)

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

Edgar Filing: Wu Michael C - Form 4

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 3.85					(2)	12/08/2016	Common Stock	29,133
Employee Stock Option	\$ 18					(3)	04/15/2019	Common Stock	14,917
Employee Stock Option	\$ 25.99					(4)	03/15/2020	Common Stock	18,456
Employee Stock Option	\$ 13.66					(5)	05/26/2021	Common Stock	18,500
Employee Stock Option	\$ 8.95	02/23/2012		A	12,605	(6)	02/23/2022	Common Stock	12,605

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wu Michael C C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209			General Counsel & Secretary	

## Signatures

Michael C. Wu                      02/27/2012

\_\_Signature of                      Date  
Reporting Person

## 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 one-quarter per annum beginning one year from February 23, 2012, the date of grant.

## Edgar Filing: Wu Michael C - Form 4

- (2) Includes an aggregate of 29,133 fully vested shares. Options vest at 1/16 per quarter.
- (3) Includes an aggregate of 7,459 fully vested shares. Options vest at 1/4 per annum.
- (4) Includes an aggregate of 4,614 fully vested shares. Options vest at 1/4 per annum.
- (5) No options vested. Options vest at 1/4 per annum.
- (6) Options shall vest at a rate of 1/4 per annum beginning one year from February 23, 2012, the date of grant.
- (7) The exercise price is equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on February 23, 2012, 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.

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.