

ROSETTA STONE INC
Form 3
December 19, 2014

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â TSAY CAROLINE J
(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
12/18/2014

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

4. Relationship of Reporting Person(s) to Issuer

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

(Check all applicable)

Director 10% Owner
 Officer Other
(give title below) (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

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

(Street)

ARLINGTON,Â VAÂ 22209

(City) (State) (Zip)

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Date Expiration Date

Title Amount or Number of

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| | | | | Shares | | or Indirect (1) (Instr. 5) | |
|-----------------------|-------|------------|-----------------|--------|--------------|----------------------------------|---|
| Stock Option | Â (1) | 12/18/2024 | Common Stock | 3,509 | \$ 10.84 (2) | D | Â |
| Restricted Stock Unit | Â (3) | Â (3) | Common Stock | 2,140 | \$ 0 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| TSAY CAROLINE J C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209 | Â X | Â | Â | Â |

Signatures

Bruce C. Ghrist, 12/19/2014
Attorney-in-fact

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).
Pursuant to the Rosetta Stone Inc. 2009 Omnibus Incentive Plan, as amended and restated, 1/4 of the stock options shall be vested and
 - (1) exercisable on the last day of the third month after the date of grant and 1/4 of the shares subject to the option shall become vested each quarter thereafter.
 - (2) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on December 18, 2014, the date of grant.
 - (3) 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. 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.