

Coleman John T  
Form 4  
August 20, 2009

**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 \*  
Coleman John T

(Last) (First) (Middle)

C/O ROSETTA STONE, 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)  
08/18/2009

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)

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)<br>Code V Amount Price                                 |   |  |                                   |
| Common Stock                    | 08/18/2009                           |  | P                              | 100 A \$ 20.84  | 200   | I  | By Wife (1)                       |

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

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SEC 1474 (9-02)

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

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| 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. Price of Derivative Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Stock Option                               | \$ 3.85  |                                      |  |                                |   | (2) (2)  | Common Stock  | 19,500                                     |
| Stock Option                               | \$ 6.08  |                                      |  |                                |   | (2) (2)  | Common Stock  | 6,500                                      |
| Stock Option                               | \$ 18  |                                      |  |                                |   | (3) (3)  | Common Stock  | 2,658                                      |
| Stock Option                               | \$ 20.35   | 08/19/2009                           |  | A                              | 329   | (3) (3)  | Common Stock  | 329  |
| Restricted Stock Unit                      | \$ 20.35   | 08/19/2009                           |  | A                              | 181   | (4) (4)  | Common Stock  | 181  |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

Coleman John T  
C/O ROSETTA STONE  
1919 NORTH LYNN STREET 7TH FLOOR  
ARLINGTON, VA 22209

X

## Signatures

Michael C. Wu, by Power of Attorney

08/20/2009

\_\_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) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(2) Pursuant to the 2006 Stock Incentive Plan, 1/4 of the Stock Options shall be vested and exercisable one year after the date of grant and 1/16 of the shares subject to the option shall become vested each quarter thereafter. 19,500 shares awarded on 5/22/2006. 6,500 shares awarded on 3/21/2007.

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- Pursuant to the 2009 Omnibus Incentive Plan, 1/4 of the Stock Options shall be vested and exercisable on the last day of the third month
- (3) after the date of grant and 1/4 of the shares subject to the option shall become vested each quarter thereafter. 2,658 shares awarded on 4/15/2009.
  - (4) The restricted stock units are fully vested. Delivery of the shares to the reporting person will be made after the date of the reporting person's separation from service to the Board of Directors.

### **Remarks:**

#### EXHIBIT 24 - Power of Attorney

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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