Adams Tom Peder Herman Form 4 March 17, 2010

FORM 4

Check this box

if no longer

subject to

Section 16.

Form 4 or

obligations

Form 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

Estimated average **SECURITIES** burden hours per response...

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Last)

(City)

Security

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person * Adams Tom Peder Herman

2. Issuer Name and Ticker or Trading Symbol

Issuer

(Middle)

(Zip)

ROSETTA STONE INC [RST]

3. Date of Earliest Transaction

03/15/2010

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

(First)

(Month/Day/Year)

_X__ Director 10% Owner X_ Officer (give title Other (specify below)

5. Relationship of Reporting Person(s) to

CEO & President

(Check all applicable)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

FLOOR

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

(Instr. 4)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

ARLINGTON, VA 22209

1. Title of 2. Transaction Date 2A. Deemed

(State)

4. Securities 3. (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code

Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership

Following Reported Transaction(s)

or

(Instr. 3 and 4) Code V Amount (D) Price

(A)

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

(Month/Day/Year)

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SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Conversion 3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

5. Number of **TransactionDerivative**

6. Date Exercisable and **Expiration Date**

7. Title and Amount of **Underlying Securities**

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A or Disposed (D) (Instr. 3, 4, and 5)	.)	(Month/Day/Year)		(Instr. 3 and 4)	
				Code V	(A) (D) Date Exercisa	Expirat ble Date	ion Title	Amount or Number of Shares	
Employee Stock Option	\$ 25.99 (1)	03/15/2010		A	65,000	(4)	03/15/	/2020 Commo Stock	ⁿ 65,000	
Employee Stock Option	\$ 3.85					(2)	05/22/	/2016 Commo	n 213,564	
Employee Stock Option	\$ 18					(3)	04/15/	/2019 Commo Stock	n 147,579	

Reporting Owners

Reporting Owner Name / Address	Relationships					
• 6	Director	10% Owner	Officer	Other		
Adams Tom Peder Herman C/O ROSETTA STONE INC. 1919 NORTH LYNN STREET 7TH FLOOR ARLINGTON, VA 22209	X		CEO & President			

Signatures

Michael C. Wu,

Attorney-in-fact 03/17/2010

**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) Exercise Price is equal to stock price at close of business, March 15, 2010.
- (2) All 213,564 shares are fully vested and exercisable. Option vests at rate of 1/16 per quarter.
- (3) Includes an aggregate of 147,579 shares represented by unvested stock awards. Option vests at a rate of 1/4 per annum.
- (4) Includes an Aggregate of 65,000 shares represented by unvested stock awards. option vests at a rate of 1/4 per annum.

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.

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