

Gaehde Nicholas C
 Form 3
 August 23, 2017

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

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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 Gaehde Nicholas C (Last) (First) (Middle) 1621 NORTH KENT STREET, Â SUITE 1200 (Street) ARLINGTON, Â VA Â 22209 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 08/21/2017	3. Issuer Name and Ticker or Trading Symbol ROSETTA STONE INC [RST]	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) President, Lexia Learning	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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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)
Common Stock	58,225	D ⁽¹⁾	Â

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

SEC 1473 (7-02)

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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) Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	Â (2)	08/15/2023	Common Stock	9,421	\$ 15.91 (3)	D	Â
Employee Stock Option (right to buy)	Â (4)	02/14/2024	Common Stock	1,829	\$ 11.96 (5)	D	Â
Employee Stock Option (right to buy)	Â (6)	02/12/2025	Common Stock	3,771	\$ 9.78 (7)	D	Â
Employee Stock Option (right to buy)	Â (8)	02/19/2026	Common Stock	40,391	\$ 7.47 (9)	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gaehde Nicholas C 1621 NORTH KENT STREET SUITE 1200 ARLINGTON, VA 22209	Â	Â	Â President, Lexia Learning	Â

Signatures

Sonia Galindo,
Attorney-in-fact

08/23/2017

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).
- (1) Includes 47,562 shares of restricted common stock on which forfeiture restrictions have not yet lapsed.
- (2) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, August 15, 2013.
- (3) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on August 15, 2013, the date of grant.
- (4) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 14, 2014.
- (5) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 14, 2014, the date of grant.
- (6) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 12, 2015.
- (7) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 12, 2015, the date of grant.
- (8) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 19, 2016.
- (9) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 19, 2016, the date of grant.

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Remarks:

Mr. Gaehde was designated a Section 16 Officer, effective August 21, 2017, by the Rosetta Stone

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