

Adams Tom Peder Herman
 Form 4
 May 25, 2012

FORM 4

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

OMB APPROVAL

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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 *
 Adams Tom Peder Herman

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 05/23/2012

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

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

ARLINGTON, VA 22209

(City) (State) (Zip)

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)	Code	V	Amount	(D)	Price

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)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of Derivative	5. Number	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 of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 3.85						<u>(1)</u>	05/22/2016	Common Stock	213,564
Stock Option	\$ 18						<u>(2)</u>	04/15/2019	Common Stock	147,579
Stock Option	\$ 25.99						<u>(3)</u>	03/15/2020	Common Stock	65,000
Stock Option	\$ 13.66						<u>(4)</u>	05/26/2021	Common Stock	55,000
Stock Option	\$ 13.78	05/23/2012	A		6,150		<u>(5)</u>	05/23/2022	Common Stock	6,150
Restricted Stock Unit	\$ 0	05/23/2012	A		3,628		<u>(6)</u>	<u>(6)</u>	Common Stock	3,628

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Adams Tom Peder Herman
 C/O ROSETTA STONE INC.
 1919 NORTH LYNN STREET 7TH FLOOR
 ARLINGTON, VA 22209

X

Signatures

Michael C. Wu,
 Attorney-in-fact 05/25/2012

 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) Includes an aggregate of 213,564 fully vested shares. Options shall vest at a rate of 1/16 per quarter.
- (2) Includes an aggregate of 110,685 fully vested shares. Options shall vest at a rate of 1/4 per annum.
- (3) Includes an Aggregate of 32,500 fully vested shares. Options shall vest at a rate of 1/4 per annum.
- (4) No options vested. Options shall vest at 1/4 per annum.
- (5) No options vested. Options shall vest at 1/4 per quarter.

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- (6) 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.

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