ROSETTA STONE INC

Form 4 June 13, 2013

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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may continue.

See Instruction

Check this box

if no longer

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **CLOUGH PHILLIP A**

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

ROSETTA STONE INC [RST]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year)

Filed(Month/Day/Year)

Symbol

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

6. Individual or Joint/Group Filing(Check

400 EAST PRATT STREET, SUITE 06/11/2013 910

(Street)

4. If Amendment, Date Original

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

BALTIMORE, MD 21202-3116

(I)

(Instr. 4)

(City) (State) (Zip)

06/11/2013

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

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

Common

Stock

Execution Date, if (Month/Day/Year)

3. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

Amount

2,110,324

5. Amount of Securities Beneficially Owned

Following

Ownership Form: Direct (D) or Indirect

Indirect Beneficial Ownership (Instr. 4)

7. Nature of

 $S^{(1)}$

Code V

(A) or (D) Price

15.12

Reported Transaction(s) (Instr. 3 and 4)

2,989,294

By Trust (2)(3)

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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Titl	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Securi	ities	(Instr. 5)	Bene
	Derivative				Securities	S		(Instr.	3 and 4)		Owne
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						,
					4, and 5)						
									Amount		
						Date	Expiration		or		
							Date		Number		
									of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
CLOUGH PHILLIP A 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116	X	X					

Signatures

Phillip A.
Clough

**Signature of Reporting Person

O6/13/2013

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).
- 2,110,324 shares were sold in a firm commitment underwritten public offering by ABS Capital Partners IV Trust pursuant to an(1) underwriting agreement dated as of June 6, 2013 by and among Rosetta Stone Inc., the several underwriters identified therein and the selling stockholders identified therein.
- Shares are held by ABS Capital Partners IV Trust (the "Trust"), a liquidating trust whose trustee is ABS Capital Partners, Inc (the "Trustee"). All voting and dispositive power over these shares is held by the Trustee. Phillip A. Clough and Laura L. Witt are managing directors of the Trustee and both serve on the issuer's board of directors. Mr. Clough and Ms. Witt disclaim beneficial ownership of the shares except to the extent of any pecuniary interest therein.
- On September 24, 2010, all remaining portfolio investments of ABS Capital Partners IV, L.P., ABS Capital Partners IV-A, L.P., ABS (3) Capital Partners IV-Offshore, L.P., ABS Capital Partners IV-Special Offshore, L.P. and ABS Partners IV, L.L.C. (collectively, the "Funds") were transferred to the Trust in connection with the dissolution and liquidation of the Funds.

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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