

Hartford M. Sean
 Form 4
 March 13, 2019

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 *
 Hartford M. Sean

(Last) (First) (Middle)

C/O ROSETTA STONE INC., 1621
 NORTH KENT STREET, SUITE
 1200

(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)
 03/11/2019

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)
 Principal Accounting Officer

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock | 03/11/2019 | | M | 942 | A \$ 9.78 | 13,897 | D |
| Common Stock | 03/11/2019 | | M | 10,578 | A \$ 15.69 | 24,475 | D |
| Common Stock | 03/11/2019 | | M | 2,164 | A \$ 7.47 | 26,639 | D |
| Common Stock | 03/11/2019 | | S | 13,684 | D \$ 21.67 | 12,955 | D |
| | 03/11/2019 | | S | 3,304 | D \$ 21.8 | 9,651 ⁽²⁾ | D |

Common
Stock

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

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

| 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) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 15.69 | 03/11/2019 | | M | 10,578 | <u>(3)</u> 06/16/2023 | | Common Stock | 10,578 |
| Stock Option (right to buy) | \$ 7.47 | 03/11/2019 | | M | 2,164 | <u>(4)</u> 02/19/2026 | | Common Stock | 2,164 |
| Stock Option (right to buy) | \$ 9.78 | 03/11/2019 | | M | 942 | <u>(3)</u> 02/12/2025 | | Common Stock | 942 |
| Performance Share Units | \$ 0 | | | | | <u>(5)</u> <u>(5)</u> | | Common Stock | 3,380 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Hartford M. Sean C/O ROSETTA STONE INC. 1621 NORTH KENT STREET, SUITE 1200 ARLINGTON, VA 22209 | | | Principal Accounting Officer | |

Signatures

/s/ Sonia Galindo, 03/13/2019
Attorney-in-fact

__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).

This transaction was executed in multiple trades at prices ranging from \$21.39 to \$21.87 per share. The price reported above reflects the
(1) weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer, or security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

(2) Includes 9,651 shares of restricted common stock on which the restrictions have not yet lapsed.

(3) Options are fully vested.

(4) Options shall vest at a rate of one-quarter per annum, beginning one year from February 19, 2016, the date of grant.

Represents shares earned based on performance under the Company's 2017-2018 Long-Term Incentive Program. These shares are subject
(5) to forfeiture restrictions that lapse at a rate of 50% on March 17, 2019 and 50% on March 17, 2020. These shares were reported originally in Table I on the reporting person's Form 4 filed February 25, 2019 but have been moved to Table II herein to align with how the shares are reflected in the issuer's equity reporting system.

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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