

Fulkerson Michael S  
 Form 4  
 May 31, 2011

**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 \*  
 Fulkerson Michael S

(Last) (First) (Middle)  
 1919 NORTH LYNN STREET, 7TH FLOOR  
 (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)  
 05/26/2011

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)  
 Chief Technology 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 Reported (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|-------|
|                                 |                                      |  |                                | (A) or (D)  | Transaction(s) Price   |  |                                   |       |
|                                 |                                      |  |                                | 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 Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)            | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D)<br>(Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|-----------------------|------------------------------|------------------|------------|---|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Employee Stock Option | \$ 3.85                      |                  |            |   |      |   |     |     | (1)              | 05/22/2016      | Common Stock | 29,133                     |
| Employee Stock Option | \$ 6.08                      |                  |            |   |      |   |     |     | (2)              | 03/21/2017      | Common Stock | 5,200                      |
| Employee Stock Option | \$ 11.64                     |                  |            |   |      |   |     |     | (3)              | 04/29/2018      | Common Stock | 65,000                     |
| Employee Stock Option | \$ 18                        |                  |            |   |      |   |     |     | (4)              | 04/15/2019      | Common Stock | 15,015                     |
| Employee Stock Option | \$ 25.99                     |                  |            |   |      |   |     |     | (5)              | 03/15/2020      | Common Stock | 8,631                      |
| Employee Stock Option | \$ 13.66                     | 05/26/2011       | A          | 22,000  |      |   |     |     | (6)              | 05/26/2021      | Common Stock | 22,000<br>(6)              |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                          |       |
|---|---------------|-----------|--------------------------|-------|
|   | Director      | 10% Owner | Officer                  | Other |
| Fulkerson Michael S<br>1919 NORTH LYNN STREET<br>7TH FLOOR<br>ARLINGTON, VA 22209 |               |           | Chief Technology Officer |       |

## Signatures

Michael C. Wu,  
Attorney-in-fact  
Date: 05/31/2011

\*\*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 29,133 fully vested shares. Options vest at a rate of 1/16 per quarter.

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- (2) Includes an aggregate of 5,200 fully vested shares. Options vest at a rate of 1/16 per quarter.
- (3) Includes an aggregate of 52,812 fully vested shares. Options vest at a rate of 1/16 per quarter.
- (4) Includes an aggregate of 7,508 fully vested shares. Options vest at a rate of 1/4 per annum.
- (5) Includes an aggregate of 2,158 fully vested shares. Options vest at a rate of 1/4 per annum.
- (6) No Options Vested. Options vest 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.

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