

ROSETTA STONE INC
Form 3
February 14, 2017

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

OMB APPROVAL

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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)

| | | | | | |
|--|---|---|---|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Osmium Partners, LLC</p> <p>(Last) (First) (Middle)</p> <p>300 DRAKES LANDING ROAD, SUITE 172</p> <p>(Street)</p> <p>GREENBRAE, CA 94904</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>02/10/2017</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>ROSETTA STONE INC [RST]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p> |
|--|---|---|---|---|---|

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 | 372,685 | I | By Osmium Capital, LP ⁽¹⁾ |
| Common Stock | 268,298 | I | By Osmium Capital II, LP ⁽¹⁾ |
| Common Stock | 169,194 | I | By Osmium Spartan, LP ⁽¹⁾ |
| Common Stock | 260,842 | I | By Osmium Diamond, LP ⁽¹⁾ |
| Common Stock | 661,445 | I | By Osmium Special Opportunity Fund, LP ⁽¹⁾ |
| Common Stock | 92,020 | I | By John H. Lewis ⁽¹⁾ |

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) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|--|--------------------|--|----------------------------------|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| Call Option (right to buy) | 12/13/2016 | 03/17/2017 | Common Stock | 40,000 | \$ 5 | I | By Osmium Capital, LP ⁽¹⁾ |
| Call Option (right to buy) | 12/13/2016 | 03/17/2017 | Common Stock | 60,000 | \$ 7.5 | I | By Osmium Capital, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/03/2017 | 09/15/2017 | Common Stock | 130,000 | \$ 7.5 | I | By Osmium Capital, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/10/2017 | 09/15/2017 | Common Stock | 120,000 | \$ 5 | I | By Osmium Capital, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/03/2017 | 09/15/2017 | Common Stock | 70,000 | \$ 7.5 | I | By Osmium Capital II, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/10/2017 | 09/15/2017 | Common Stock | 20,000 | \$ 5 | I | By Osmium Capital II, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/10/2017 | 09/15/2017 | Common Stock | 40,000 | \$ 5 | I | By Osmium Spartan, LP ⁽¹⁾ |
| Call Option (right to buy) | 02/10/2017 | 09/15/2017 | Common Stock | 20,000 | \$ 5 | I | By Osmium Diamond, LP ⁽¹⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Osmium Partners, LLC 300 DRAKES LANDING ROAD SUITE 172 GREENBRAE, CA 94904 | Â | Â X | Â | Â |
| OSMIUM CAPITAL LP 300 DRAKES LANDING ROAD SUITE 172 GREENBRAE, CA 94904 | Â | Â X | Â | Â |
| Osmium Capital II, LP 300 DRAKES LANDING ROAD SUITE 172 GREENBRAE, CA 94904 | Â | Â X | Â | Â |
| OSMIUM SPARTAN L P | Â | Â X | Â | Â |

300 DRAKES LANDING ROAD
 SUITE 172
 GREENBRAE, CA 94904

Osmium Diamond, LP
 300 DRAKES LANDING ROAD
 SUITE 172
 GREENBRAE, CA 94904

Lewis John Hartnett
 300 DRAKES LANDING ROAD
 SUITE 172
 GREENBRAE, CA 94904

Osmium Special Opportunity Fund, LP
 300 DRAKES LANDING ROAD
 SUITE 172
 GREENBRAE, CA 94904

Signatures

/s/ John H. Lewis, individually, and as Managing Member of Osmium Partners, LLC, for itself
 and as General Partner of Osmium Capital, LP, Osmium Capital II, LP, Osmium Spartan, LP,
 Osmium Diamond, LP and Osmium Special Opportunity Fund, LP

02/14/2017

 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) The general partner of Osmium Capital, LP, Osmium Capital II, LP, Osmium Spartan, LP, Osmium Diamond, LP and Osmium Special Opportunity Fund, LP is Osmium Partners, LLC. John H. Lewis is the controlling member of Osmium Partners, LLC, and Mr. Lewis may be deemed to have voting and dispositive power with respect to the shares held by Osmium Capital, LP, Osmium Capital II, LP, Osmium Spartan, LP, Osmium Diamond, LP and Osmium Special Opportunity Fund, LP. Mr. Lewis disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein, if any, and this report shall not be deemed an admission that Mr. Lewis is the beneficial owner of the shares for purposes of Section 16 of the Securities and Exchange Act of 1934 or for any other purpose.

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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