

ROSETTA STONE INC
Form SC 13G/A
February 14, 2018

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

Rosetta Stone Inc.
(Name of Issuer)

Common Stock, \$.00005 par value
(Title of Class of Securities)

777780107
(CUSIP Number)

December 31, 2017
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 777780107

| | | |
|-----|---|--|
| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). | |
| | John H. Lewis | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization United States | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 92,020 |
| | | 6. Shared voting power 2,098,142 ⁽¹⁾ |
| | | 7. Sole dispositive power 92,020 |
| 8. | Shared dispositive power 2,098,142 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 2,190,162 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 9.8% | |
| 12. | Type of reporting person (see instructions) IN | |

⁽¹⁾ Reflects a maximum of 300,000 shares of Common Stock that may be acquired pursuant to options held by the reporting persons.

CUSIP No. 777780107

| | | |
|-----|---|--|
| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). | |
| | Osmium Partners, LLC | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 2,098,142 ⁽¹⁾ |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 2,098,142 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 2,098,142 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 9.4% | |
| 12. | Type of reporting person (see instructions) IA, OO | |

⁽¹⁾ Reflects a maximum of 300,000 shares of Common Stock that may be acquired pursuant to options held by the reporting persons.

CUSIP No. 777780107

| | | |
|-----|---|--|
| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). | |
| | Osmium Capital, LP | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 698,575 ⁽¹⁾ |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 698,575 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 698,575 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 3.1% | |
| 12. | Type of reporting person (see instructions) PN | |

⁽¹⁾ Reflects a maximum of 195,000 shares of Common Stock that may be acquired pursuant to options held by Osmium Capital, LP.

CUSIP No. 777780107

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| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). Osmium Capital II, LP | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 336,083 ⁽¹⁾ |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 336,083 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 336,083 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 1.5% | |
| 12. | Type of reporting person (see instructions) PN | |

⁽¹⁾ Reflects a maximum of 75,000 shares of Common Stock that may be acquired pursuant to options held by Osmium Capital II, LP.

CUSIP No. 777780107

| | | |
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| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). Osmium Spartan, LP | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 167,697 ⁽¹⁾ |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 167,697 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 167,697 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 0.8% | |
| 12. | Type of reporting person (see instructions) PN | |

⁽¹⁾ Reflects a maximum of 20,000 shares of Common Stock that may be acquired pursuant to options held by Osmium Spartan, LP.

CUSIP No. 777780107

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| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). Osmium Diamond, LP | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 234,342 ⁽¹⁾ |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 234,342 ⁽¹⁾ | |
| 9. | Aggregate amount beneficially owned by each reporting person 234,342 ⁽¹⁾ | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 1.1% | |
| 12. | Type of reporting person (see instructions) PN | |

⁽¹⁾ Reflects a maximum of 10,000 shares of Common Stock that may be acquired pursuant to options held by Osmium Diamond, LP.

CUSIP No. 777780107

| | | |
|-----|---|---------------------------------------|
| 1. | Names of reporting persons. I.R.S. Identification Nos. of above persons (entities only). Osmium Special Opportunity Fund, LP | |
| 2. | Check the appropriate box if a member of a group (see instructions) (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> | |
| 3. | SEC use only | |
| 4. | Citizenship or place of organization Delaware | |
| | Number of shares beneficially owned by each reporting person with: | 5. Sole voting power 0 |
| | | 6. Shared voting power 661,445 |
| | | 7. Sole dispositive power 0 |
| 8. | Shared dispositive power 661,445 | |
| 9. | Aggregate amount beneficially owned by each reporting person 661,445 | |
| 10. | Check if the aggregate amount in Row (9) excludes certain shares (see instructions) <input type="checkbox"/> | |
| 11. | Percent of class represented by amount in Row (9) 3.0% | |
| 12. | Type of reporting person (see instructions) PN | |

Item 1.

- (a) The name of the issuer is Rosetta Stone Inc. (the Issuer).
- (b) The principal executive office of the Issuer is located at 1621 North Kent Street, Suite 1200, Arlington, Virginia 22209.

Item 2.

- (a) This statement (this Statement) is being filed by John H. Lewis, the controlling member of Osmium Partners, LLC, a Delaware limited liability company (Osmium Partners), which serves as the general partner of Osmium Capital, LP, a Delaware limited partnership (the Fund) and Osmium Capital II, LP, a Delaware limited partnership (Fund II), Osmium Spartan, LP, a Delaware limited partnership (Fund III), Osmium Diamond, LP, a Delaware limited partnership (Fund IV) and Osmium Special Opportunity Fund, LP, a Delaware limited partnership (Fund V) (all of the foregoing, collectively, the Filers . The Fund, Fund II, Fund III, Fund IV and Fund V are private investment vehicles formed for the purpose of investing and trading in a wide variety of securities and financial instruments. The Fund, Fund II, Fund III, Fund IV and Fund V directly own the common shares reported in this Statement (other than the 92,020 shares owned directly by Mr. Lewis). Mr. Lewis and Osmium Partners may be deemed to share with the Fund, Fund II, Fund III, Fund IV and Fund V (and not with any third party) voting and dispositive power with respect to such shares. Each Filer disclaims beneficial ownership with respect to any shares other than the shares owned directly by such Filer.

Item 3.

Not applicable.

Item 4. Ownership.

See Items 5-9 and 11 on the cover page for each Filer, and Item 2. The percentage ownership of each Filer is based on 22,299,301 shares of Common Stock outstanding as of October 27, 2017, as reported on the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 as filed with the SEC on November 2, 2017.

Item 5. Ownership of Five Percent or Less of a Class

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: February 14, 2018

John H. Lewis
Osmium Partners, LLC
Osmium Capital, LP
Osmium Capital II, LP
Osmium Spartan, LP
Osmium Diamond, LP
Osmium Special Opportunity Fund, LP

By: /s/ John H. Lewis
John H. Lewis, for himself 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

EXHIBIT INDEX

Exhibit

No. Document

1 Joint Filing Agreement*

*Previously filed
