

ROSETTA STONE INC  
Form 4  
March 20, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
Osmium Partners, LLC

(Last) (First) (Middle)

300 DRAKES LANDING ROAD, SUITE 172

(Street)

GREENBRAE, CA 94904

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ROSETTA STONE INC [RST]

3. Date of Earliest Transaction (Month/Day/Year)  
03/17/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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                    | 03/17/2017                           |  | X                              | 40,000 A  | \$ 5 412,685  | I  | By Osmium Capital, LP (1)                             |
| Common Stock                    | 03/17/2017                           |  | X                              | 60,000 A  | \$ 7.5 472,685  | 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                                 |

|              |         |   |  |
|--------------|---------|---|--|
| Common Stock | 260,842 | I | <sup>(1)</sup><br>By Osmium Diamond, LP <sup>(1)</sup> |
| Common Stock | 661,445 | I | By Osmium Special Opportunity Fund, LP <sup>(1)</sup>  |
| Common Stock | 92,020  | I | By John H. Lewis <sup>(1)</sup>                        |

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

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(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 (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) | 8. F. Derivative Securities (Instr. 3 and 4) |                 |       |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|-----------------|-------|----------------------------|
|  |  |                                      |  | Code                           | V   | (A)  | (D)   | Date Exercisable                             | Expiration Date | Title | Amount or Number of Shares |
| Call Option (right to buy)                 | \$ 5   | 03/17/2017                           |  | X                              | 400   | 12/13/2016   | 03/17/2017  | Common Stock                                 | 40,000          |       |                            |
| Call Option (right to buy)                 | \$ 7.5   | 03/17/2017                           |  | X                              | 600   | 12/13/2016   | 03/17/2017  | Common Stock                                 | 60,000          |       |                            |

## Reporting Owners

| Reporting Owner Name / Address | Relationships |           |         |       |
|--------------------------------|---------------|-----------|---------|-------|
|                                | Director      | 10% Owner | Officer | Other |
|                                |               |           |         |       |

|  |   |
|--|---|
| Osmium Partners, LLC<br>300 DRAKES LANDING ROAD<br>SUITE 172<br>GREENBRAE, CA 94904              | X |
| OSMIUM CAPITAL LP<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904                   | X |
| Osmium Capital II, LP<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904               | X |
| OSMIUM SPARTAN L P<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904                  | X |
| Osmium Diamond, LP<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904                  | X |
| Osmium Special Opportunity Fund, LP<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904 | X |
| Lewis John Hartnett<br>300 DRAKES LANDING ROAD, SUITE 172<br>GREENBRAE, CA 94904                 | X |

## 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

03/20/2017

\_\_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) 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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