

Gaehde Nicholas C  
 Form 3  
 August 23, 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)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Gaehde Nicholas C		(Month/Day/Year)	ROSETTA STONE INC [RST]	
(Last)	(First)	(Middle)	08/21/2017	
1621 NORTH KENT STREET, Â SUITE 1200			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
ARLINGTON, Â VA Â 22209			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			President, Lexia Learning	

**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	58,225	D <sup>(1)</sup>	Â

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)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	Â (2)	08/15/2023	Common Stock	9,421	\$ 15.91 (3)	D	Â
Employee Stock Option (right to buy)	Â (4)	02/14/2024	Common Stock	1,829	\$ 11.96 (5)	D	Â
Employee Stock Option (right to buy)	Â (6)	02/12/2025	Common Stock	3,771	\$ 9.78 (7)	D	Â
Employee Stock Option (right to buy)	Â (8)	02/19/2026	Common Stock	40,391	\$ 7.47 (9)	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gaehde Nicholas C 1621 NORTH KENT STREET SUITE 1200 ARLINGTON, VA 22209	Â	Â	Â President, Lexia Learning	Â

## Signatures

Sonia Galindo,  
Attorney-in-fact

08/23/2017

\*\*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) Includes 47,562 shares of restricted common stock on which forfeiture restrictions have not yet lapsed.
- (2) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, August 15, 2013.
- (3) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on August 15, 2013, the date of grant.
- (4) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 14, 2014.
- (5) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 14, 2014, the date of grant.
- (6) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 12, 2015.
- (7) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 12, 2015, the date of grant.
- (8) Options vest over four years at a rate of 1/4 per year on the anniversary of the grant date, February 19, 2016.
- (9) The exercise price is equal to the closing price of the common stock of the Issuer on the New York Stock Exchange on February 19, 2016, the date of grant.

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### Remarks:

Mr. Gaehde was designated a Section 16 Officer, effective August 21, 2017, by the Rosetta Stone

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.