

PIERNO THOMAS M  
Form 3  
May 11, 2012

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

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**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 \*

PIERNO THOMAS M  
(Last) (First) (Middle)

C/O ROSETTA STONE  
INC., 7919 NORTH LYNN  
STREET, 7TH FLOOR

(Street)

ARLINGTON, VA 22209

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)  
05/04/2012

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer  Other  
(give title below) (specify below)  
Chief Financial Officer

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

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 Beneficially Owned**

1. Title of Security (Instr. 4)

Common Stock

2. Amount of Securities Beneficially Owned (Instr. 4)

15,000 <sup>(1)</sup>

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

D <sup>(4)</sup>

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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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

5. Ownership Form of Derivative Security:

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)
Employee Stock Option	Â (2)	05/04/2022	Common Stock	50,000	\$ 10.55 (3)	D (4) Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PIERNO THOMAS M C/O ROSETTA STONE INC. 7919 NORTH LYNN STREET, 7TH FLOOR ARLINGTON, VA 22209	Â	Â	Â Chief Financial Officer	Â

## Signatures

Michael C. Wu,  
Attorney-in-fact  
05/11/2012  
Date

\*\*Signature of Reporting Person

## 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 restricted shares are subject to forfeiture restrictions that lapse 1/4 per annum beginning one year from May 2, 2012, Mr. Pierno's employment start date.
- (2) Options shall vest at a rate of 1/4 per annum beginning one year from May 4, 2012.
- (3) The per share exercise price of the options shall be equal to the closing price of the common stock of the Corporation on the New York Stock Exchange on May 4, 2012, the date of grant.
- (4) Mr. Pierno was designated a Section 16 officer by the Rosetta Stone Inc. Board of Directors on May 4, 2012.

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.