

Nierenberg David
Form 4
November 30, 2017

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
Nierenberg David

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
19605 NE 8TH STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/28/2017

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

CAMAS, WA 98607

4. 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

(City) (State) (Zip)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | Code V | Amount or Price (A) or (D) | | |
| Common Stock | 11/28/2017 | | | S | 24,859 (2) | D | By The D3 Family Fund, LP |
| | | | | | \$ 12.06 (3) | 296,318 (1) | |
| Common Stock | 11/28/2017 | | | S | 48,695 (2) | D | By The D3 Family Bulldog Fund, LP |
| | | | | | \$ 12.06 (3) | 724,839 (1) | |
| Common Stock | 11/28/2017 | | | S | 4,232 (2) | D | By The DIII Offshore Fund, LP |
| | | | | | \$ 12.06 (3) | 53,740 (1) | |
| | 11/29/2017 | | | S | | D | |
| | | | | | | 283,417 (1) | |

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| | | | | | | | | | |
|--------------|------------|--|---|---------------|---|--------------------|-------------|---|-----------------------------------|
| Common Stock | | | | 12,901 (2) | | \$ 11.99 (4) | | | By The D3 Family Fund, LP |
| Common Stock | 11/29/2017 | | S | 31,559 (2) | D | \$ 11.99 (4) | 693,280 (1) | I | By The D3 Family Bulldog Fund, LP |
| Common Stock | 11/29/2017 | | S | 2,340 (2) | D | \$ 11.99 (4) | 51,400 (1) | I | By The DIII Offshore Fund, LP |
| Common Stock | 11/30/2017 | | S | 20,790 (2) | D | \$ 11.97 (5) | 262,627 (1) | I | By The D3 Family Fund, LP |
| Common Stock | 11/30/2017 | | S | 50,854 (2) | D | \$ 11.97 (5) | 642,426 (1) | I | By The D3 Family Bulldog Fund, LP |
| Common Stock | 11/30/2017 | | S | 3,770 (2) | D | \$ 11.97 (5) | 47,630 (1) | I | By The DIII Offshore Fund, LP |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Nierenberg David 19605 NE 8TH STREET CAMAS, WA 98607 | | X | | |

Signatures

| | |
|--|------------|
| David Nierenberg | 11/30/2017 |
| <u> </u> 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 reporting person disclaims ownership of these securities except to the extent of the reporting person's pecuniary interest therein.
- (2) These shares were sold pursuant to standard re-balancing due to the applicable Funds' practices.
This transaction was executed in multiple trades at an average price of \$12.06 per share. The reporting person hereby undertakes to
- (3) provide upon request to the SEC staff, the issuer, or security holder of the issuer, full information regarding the number of shares sold at each transaction.
- (4) This transaction was executed in multiple trades at an average price of \$11.99 per share.
- (5) This transaction was executed in multiple trades at an average price of \$11.97 per share.

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.