

ROSETTA STONE INC
Form 4
June 13, 2013

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
ABS PARTNERS IV LLC

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)
400 EAST PRATT STREET, SUITE 910

3. Date of Earliest Transaction (Month/Day/Year)
09/24/2010

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

(Street)
BALTIMORE, MD 21202-3116

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---------------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 09/24/2010 | | J ⁽¹⁾ | 5,099,618 D \$ 0 0 | | I | By Limited Partnership ⁽²⁾ |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ABS PARTNERS IV LLC 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116 | | X | | |
| ABS CAPITAL PARTNERS IV LP 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116 | X | X | | |
| ABS CAPITAL PARTNERS IV A LP 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116 | X | | | |
| ABS CAPITAL PARTNERS IV OFFSHORE LP 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116 | X | | | |
| ABS CAPITAL PARTNERS IV SPECIAL OFFSHORE LP 400 EAST PRATT STREET SUITE 910 BALTIMORE, MD 21202-3116 | X | | | |

Signatures

James E. Stevenson Jr., Managing Director of ABS Capital Partners, Inc., Trustee of ABS Capital Partners IV Trust, as liquidating trust of ABS Partners IV L.L.C.

06/13/2013

**Signature of Reporting Person

Date

James E. Stevenson Jr., Managing Director of ABS Capital Partners, Inc., Trustee of ABS Capital Partners IV Trust, as liquidating trust of ABS Capital Partners IV, L.P.

06/13/2013

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| <u>Signature of Reporting Person</u> | Date |
|---|------------|
| James E. Stevenson Jr., Managing Director of ABS Capital Partners, Inc., Trustee of ABS Capital Partners IV Trust, as liquidating trust of ABS Capital Partners IV-A, L.P. | 06/13/2013 |
| <u>Signature of Reporting Person</u> | Date |
| James E. Stevenson Jr., Managing Director of ABS Capital Partners, Inc., Trustee of ABS Capital Partners IV Trust, as liquidating trust of ABS Capital Partners IV Offshore, L.P. | 06/13/2013 |
| <u>Signature of Reporting Person</u> | Date |
| James E. Stevenson Jr., Managing Director of ABS Capital Partners, Inc., Trustee of ABS Capital Partners IV Trust, as liquidating trust of ABS Capital Partners IV Special Offshore, L.P. | 06/13/2013 |
| <u>Signature of Reporting Person</u> | 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) On September 24, 2010, all remaining portfolio investments of ABS Capital Partners IV, L.P., ABS Capital Partners IV-A, L.P., ABS Capital Partners IV-Offshore, L.P., ABS Capital Partners IV-Special Offshore, L.P. and ABS Partners IV, L.L.C. (collectively, the "Reporting Persons") were transferred to ABS Capital Partners IV Trust, a liquidating trust, for which ABS Capital Partners, Inc. serves as trustee (the "Trustee"), in connection with the dissolution and liquidation of the Reporting Persons.

Shares distributed include (i) 4,512,641 shares of common stock owned by ABS Capital Partners IV, L.P., (ii) 151,083 shares of common stock owned by ABS Capital Partners IV-A, L.P., (iii) 259,175 shares of common stock owned by ABS Capital Partners IV Offshore, L.P., and (iv) 176,719 shares of common stock owned by ABS Capital Partners IV Special Offshore, L.P. ABS Partners IV, L.L.C. is the (2) general partner of each such entity and has voting and dispositive power over these shares. Laura Witt and Phillip Clough, who serve on the issuer's board of directors, were managing members of ABS Partners IV, L.L.C. and are managing directors of the Trustee and may be deemed to share voting or dispositive power over such shares. Ms. Witt and Mr. Clough disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein.

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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