

ROSETTA STONE INC
Form 3
April 15, 2009

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 and Ticker or Trading Symbol | |
| Â ABS PARTNERS IV LLC | | (Month/Day/Year) | ROSETTA STONE INC [RST] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| 400 E. PRATT STREET,Â SUITE 910 | | 04/15/2009 | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input checked="" type="checkbox"/> 10% Owner |
| BALTIMORE,Â MDÂ 21202 | | | <input type="checkbox"/> Officer | <input type="checkbox"/> Other |
| (City) | (State) | (Zip) | (give title below) (specify below) | |
| | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| | | | <input type="checkbox"/> Form filed by One Reporting Person | |
| | | | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person | |

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 | 755,612 | I | See Footnote ⁽¹⁾ |
| Series A-1 Preferred | 261,558 | I | See Footnote ⁽¹⁾ |

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

SEC 1473 (7-02)

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.

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 | 5. Ownership Form of Derivative | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|------------------------------------|---------------------------------|---|
|--|--|---|------------------------------------|---------------------------------|---|

| Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Derivative Security | Security: Direct (D) or Indirect (I) (Instr. 5) |
|------------------|-----------------|-------|----------------------------|---------------------|---|
|------------------|-----------------|-------|----------------------------|---------------------|---|

Reporting Owners

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

Signatures

Michael C. Wu, Power of Attorney 04/15/2009

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 (i) 668,642 shares of common stock and 231,452 shares of Series A-1 Preferred owned by ABS Capital Partners IV, L.P., (ii) 22,386 shares of common stock and 7,749 shares of Series A-1 Preferred owned by ABS Capital Partners IV-A, LP., (iii) 38,402 shares of common stock and 13,293 shares of Series A-1 Preferred owned by ABS Capital Partners IV Offshore, L.P., and (iv) 26,182 shares of common stock and 9,064 shares of Series A-1 Preferred owned by ABS Capital Partners IV Special Offshore, L.P. ABS Partners IV, L.L.C. is the general partner of each such entity and has voting and dispositive power over these shares. Phil Clough and Laura Witt, who serve on our board of directors, are managing members of ABS Partners IV, L.L.C. and may be deemed to share voting or dispositive power over such shares. Mr. Clough and Ms. Witt disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein.

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Remarks:

Upon the closing of the initial public offering of the issuer, each share of preferred stock will au

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.