

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 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>CLOUGH PHILLIP A</u> (Last) (First) (Middle) 400 E. PRATT STREET SUITE 910 (Street) BALTIMORE MD 21202 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 04/15/2009	3. Issuer Name and Ticker or Trading Symbol <u>ROSETTA STONE INC [RST]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input 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	By limited partnership ⁽¹⁾
Series A-1 Preferred	261,558	I	By limited partnership ⁽¹⁾

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: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Employee Stock Option ⁽²⁾	04/15/2009	04/15/2019	Common Stock	2,658	(2)	D	
Restricted Stock Units ⁽³⁾	04/15/2009	04/15/2050	Common Stock	1,462	0	D	

Explanation of Responses:

- 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. Mr. Clough is a managing member of ABS Partners IV, L.L.C. and may be deemed to share voting or dispositive power over such shares. Mr. Clough disclaims beneficial ownership of such shares, except to the extent of any pecuniary interest therein.
- Includes an aggregate of 2,658 shares represented by unvested stock awards. Option vests at a rate of 1/4 per annum. The exercise price will be the initial price in the issuer's IPO.
- Only exercisable upon termination of service as a director.

Remarks:

Upon the closing of the initial public offering of the issuer, each share of preferred stock will automatically convert into 26 shares of common stock for no additional consideration. Exhibit 24 - Power of Attorney

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

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint each of Tom Adams, Michael Wu, and Catherine Runion individually, as my lawful attorney-in-fact, with full power of substitution and resubstitution, to act in my name, place and stead to execute and deliver any and all documents relating to insider reporting requirements under Section 16 of the Securities Exchange Act of 1934, including, without limitation, the execution and filing of all Forms ID, 3, 4 and 5, and to take such other action, as such attorney considers necessary or appropriate, to effectuate such transactions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 15th day of April, 2009.

Signature: /s/ PHILLIP A. CLOUGH _____