

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>Franklin Laurence</u>			2. Issuer Name and Ticker or Trading Symbol <u>ROSETTA STONE INC [RST]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>08/19/2009</u>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
<u>C/O ROSETTA STONE</u> <u>1919 NORTH LYNN STREET 7TH FLOOR</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) <u>ARLINGTON VA 22209</u>								
(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	(A) or (D)	Price			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option	\$3.85						(1)	(1)	Common Stock	19,500	19,500	D		
Stock Option	\$6.08						(1)	(1)	Common Stock	6,500	6,500	D		
Stock Option	\$18						(2)	(2)	Common Stock	2,658	2,658	D		
Stock Option	\$20.35	08/19/2009		A		329	(2)	(2)	Common Stock	329	\$0.00	329	D	
Restricted Stock Unit	\$20.35	08/19/2009		A		181	(3)	(3)	Common Stock	181	\$0.00	1,643	D	

Explanation of Responses:

- Pursuant to the 2006 Stock Incentive Plan, 1/4 of the Stock Options shall be vested and exercisable one year after the date of grant and 1/16 of the shares subject to the option shall become vested each quarter thereafter. 19,500 shares awarded 5/22/2006. 6,500 shares awarded 3/21/2007.
- Pursuant to the 2009 Omnibus Incentive Plan, 1/4 of the Stock Options shall be vested and exercisable on the last day of the third month after the date of grant and 1/4 of the shares subject to the option shall become vested each quarter thereafter. 2,658 shares awarded 4/15/2009.
- The restricted stock units are fully vested. Delivery of the shares to the reporting person will be made after the date of the reporting person's separation from service to the Board of Directors.

Remarks:

EXHIBIT 24 - Power of Attorney

Michael C. Wu, by Power of Attorney 08/20/2009

** 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 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).

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.