

ROSETTA STONE INC
Form SC 13G/A
February 12, 2013

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

SCHEDULE 13G
Under the Securities Exchange Act of 1934
(Amendment No. 1)

ROSETTA STONE INC.

(Name of Issuer)

Common Stock
(Title of Class of Securities)

777780107
(CUSIP Number)

December 31, 2012

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☐ Rule 13d-1(b)
- ☒ Rule 13d-1(c)
- ☐ Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 777780107

1. names of Reporting Persons

The D3 Family Fund, L.P.

2. check the appropriate box if a member of a group (a) [x]
(b) ..

3. sec use only

4. citizenship or place of organization

Washington

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		321,177 common shares (1.5%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		321,177

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 321,177; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 1.5%; for all reporting persons as a group, 8.5%

12. type of Reporting Person PN

CUSIP No. 777780107

1. names of Reporting Persons

The D3 Family Bulldog Fund, L.P.

2. check the appropriate box if a member of a group (a) ☒ [x]
(b) ☐ ..

3. sec use only

4. citizenship or place of organization

Washington

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		1,103,052 common shares (5.2%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		1,103,052

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 1,103,052; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 5.2%; for all reporting persons as a group, 8.5%

12. type of Reporting Person PN

CUSIP No. 777780107

1. names of Reporting Persons

The D3 Family Canadian Fund, L.P.

2. check the appropriate box if a member of a group (a) [x]
(b) ..

3. sec use only

4. citizenship or place of organization

Washington

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		115,470 common shares (0.5%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		115,470

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 115,470; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 0.5%; for all reporting persons as a group, 8.5%

12. type of Reporting Person PN

CUSIP No. 777780107

1. names of Reporting Persons

The DIII Offshore Fund, L.P.

2. check the appropriate box if a member of a group (a) ☒ [x]
(b) ☐ "

3. sec use only

4. citizenship or place of organization

Bahamas

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		264,775 common shares (1.3%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		264,775

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 264,775; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares" ☐

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 1.3%; for all reporting persons as a group, 8.5%

12. type of Reporting Person PN

CUSIP No. 777780107

1. names of Reporting Persons

Nierenberg Investment Management Company, Inc.

2. check the appropriate box if a member of a group (a) [x]
(b) "

3. sec use only

4. citizenship or place of organization

Washington

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		1,804,474 common shares (8.5%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		1,804,474

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 1,804,474; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 8.5%; for all reporting persons as a group, 8.5%

12. type of Reporting Person CO

CUSIP No. 777780107

1. names of Reporting Persons

Nierenberg Investment Management Offshore, Inc.

2. check the appropriate box if a member of a group (a) [x]
(b) "

3. sec use only

4. citizenship or place of organization

Bahamas

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		264,775 common shares (1.3%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		264,775

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 264,775; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 1.3%; for all reporting persons as a group, 8.5%

12. type of Reporting Person CO

CUSIP No. 777780107

1. names of Reporting Persons

David Nierenberg

2. check the appropriate box if a member of a group (a) [x]
(b) ..

3. sec use only

4. citizenship or place of organization

United States of America

	5.	sole voting power
		0
NUMBER OF		
SHARES	6.	shared voting power
BENEFICIALLY		1,804,474 common shares (8.5%)
OWNED BY		
EACH	7.	sole dispositive power
REPORTING		0
PERSON		
WITH	8.	shared dispositive power
		1,804,474

9. aggregate amount beneficially owned by each reporting person
For the reporting person listed on this page, 1,804,474; for all reporting persons as a group, 1,804,474 shares (8.5%)

10. check box if the aggregate amount in row (9) excludes certain shares"

11. percent of class represented by amount in row (9)
For the reporting person listed on this page, 8.5%; for all reporting persons as a group, 8.5%

12. type of Reporting Person IN

This Amendment No.1 to Schedule 13G (this “Amendment”) amends the below-indicated items from the Schedule 13G with respect to the shares of common stock (the “Common Stock”) of Rosetta Stone Inc. (the “Company”) previously filed on May 18, 2012 by or on behalf of the Reporting Persons (as defined below) (collectively, the “Schedule 13G”), by supplementing such Items with the information below.

The names of the persons filing this Amendment (collectively, the “Reporting Persons”) are: The D3 Family Fund, L.P. (the “Family Fund”), The D3 Family Bulldog Fund, L.P. (the “Bulldog Fund”), The D3 Family Canadian Fund, L.P. (the “Canadian Fund”), The DIII Offshore Fund, L.P. (the “Offshore Fund”), Nierenberg Investment Management Company, Inc. (“NIMCO”), Nierenberg Investment Management Offshore, Inc. (“NIMO”) and David Nierenberg (“Mr. Nierenberg”).

Item 4. Ownership.

(a)-(b) Amount beneficially owned; Percent of Class:

The Reporting Persons, in the aggregate, beneficially own 1,804,474 Shares, constituting approximately 8.5% of the outstanding shares of Common Stock.

(c) Number of shares as to which such person has:

(i)-(iii) None of the Reporting Persons has the sole power (A) to vote or direct the vote of, or (B) to dispose or direct the disposition of, any shares of Common Stock

(ii)-(iv) The Family Fund, NIMCO and Mr. Nierenberg have shared power (A) to vote or direct the vote of, and (B) to dispose or direct the disposition of, the 321,177 shares of Common Stock held by the Family Fund.

The Bulldog Fund, NIMCO and Mr. Nierenberg have shared power (A) to vote or direct the vote of, and (B) to dispose or direct the disposition of, the 1,103,052 shares of Common Stock held by the Bulldog Fund.

The Canadian Fund, NIMCO and Mr. Nierenberg have shared power (A) to vote or direct the vote of, and (B) to dispose or direct the disposition of, the 115,470 shares of Common Stock held by the Canadian Fund.

The Offshore Fund, NIMO, NIMCO and Mr. Nierenberg have shared power (A) to vote or direct the vote of, and (B) to dispose or direct the disposition of, the 264,775 shares of Common Stock held by the Offshore Fund.

Item 10.

Certification.

By signing below each of the undersigned certifies that, to the best of its or his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned certifies that the information set forth in the Statement is true, complete and correct.

D3 Family Fund, L.P., D3 Bulldog Fund, L.P., and D3 Family Canadian Fund, L.P.

By: Nierenberg Investment Management Company, Inc.

Its: General Partner

February 12, 2013 By: /s/ David Nierenberg
David Nierenberg, President

The DIII Offshore Fund, L.P.

By: Nierenberg Investment Management Offshore, Inc.

Its: General Partner

February 12, 2013 By: /s/ David Nierenberg
David Nierenberg, President

Nierenberg Investment Management
Company, Inc.

February 12, 2013 By: /s/ David Nierenberg
David Nierenberg, President

Nierenberg Investment Management
Offshore, Inc.

February 12, 2013 By: /s/ David Nierenberg
David Nierenberg, President

February 12, 2013 /s/ David Nierenberg
David Nierenberg, President