

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

ROSETTA STONE LTD.,)
)
 Plaintiff,)
)
 vs.)
)
 GOOGLE INC.,)
)
 Defendant.)
_____)

Case No. 1:09-cv-00736 (GBL/TCB)

**DECLARATION OF TOM ADAMS IN SUPPORT OF ROSETTA STONE LTD.'S
MOTION FOR PARTIAL SUMMARY JUDGMENT AS TO LIABILITY**

I, Tom Adams, declare and state as follows:

1. I am the Chief Executive Officer of Rosetta Stone Inc. ("Rosetta Stone" or the "Company"). I make this Declaration based on my own personal knowledge, and if called upon to do so, I could and would testify competently thereto.

2. Rosetta Stone Ltd. was incorporated in 1992 as a Virginia corporation under the name Fairfield & Sons, Ltd. by Allen Stoltzfus, his brother, Eugene Stoltzfus, and their sister, Kathryn Stoltzfus Fairfield. Allen Stoltzfus had conceived the idea of using computer technology to teach people to learn a new language by simulating the way people learn their native language, using pictures and audio in context without direct translation. Working with Mrs. Fairfield's husband, John Fairfield, who had a Ph.D in computer technology, Allen Stoltzfus developed the initial software product using the then newly developed CD-ROM technology.

3. Under the leadership of Allen Stoltzfus as Chairman and President, Fairfield & Sons, Ltd. developed, marketed and sold a suite of language learning software products under the "Rosetta Stone" brand name.

4. Shortly after Allen Stoltzfus's death in 2002, I joined Fairfield & Sons, Ltd. as its Chief Executive Officer and implemented a strategy to grow the business both domestically and internationally.

5. On January 4, 2006, the investment firms ABS Capital Partners and Norwest Equity Partners invested in a newly formed Delaware corporation called Rosetta Stone Inc. and caused Rosetta Stone Inc. to purchase all the outstanding stock of Fairfield & Sons, Ltd. Following this acquisition, Fairfield & Sons, Ltd.'s name was changed to its current name, Rosetta Stone Ltd. I became the CEO of Rosetta Stone Inc. The results of the operations of

Rosetta Stone Ltd. are now included in the consolidated results of operations of Rosetta Stone Inc.

6. During the period January 2003 through December 2008, the Company expended over \$45.4 million on research and development expenses. Through its research and development efforts, the Company has developed a proprietary unified language learning software platform. This platform incorporates proprietary interactive technologies and pedagogical content, utilizing a sophisticated sequencing of images, text and sounds to teach a new language without translation or memorization of grammar rules. In August 2007, the Company released the current versions of its software, known as "Version 3," for its ten best selling languages. The Version 3 product is now available in 25 languages.

7. In 2008, the Company's gross revenues had grown to \$209.4 million, representing a 69% compounded annual growth rate from the \$25.4 million in gross revenues the Company had achieved in 2004.

8. On April 16, 2009, an initial public offering of the shares of common stock of the Company became effective.

9. For the year ended December 31, 2009, the Company achieved revenues of \$252.3 million. As of December 31, 2009, the Company had 1,738 employees. The Company is currently based in Harrisonburg and Arlington, Virginia.

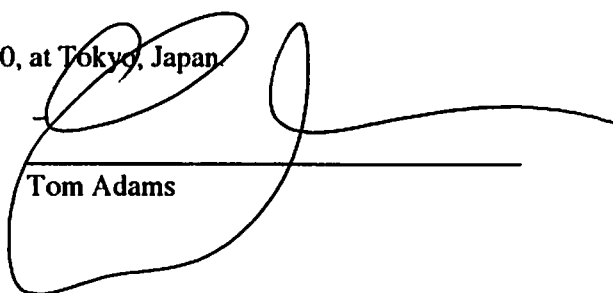
10. Thus, since its founding in 1992, Rosetta Stone has become the leader in providing technology-based language-learning products and services. Today, Rosetta Stone develops, markets and supports a suite of language learning solutions consisting of software, online services and audio practice tools, which are available in more than thirty languages and

are used by schools, corporations, government entities and millions of individuals in more than 150 countries throughout the world.

11. The Company's innovative language learning solutions have received numerous awards and recognitions, including placing #14 on the 2009 Inc. 5000 list for the education industry, the 2009 National Parenting Publications Awards (NAPPA) Honors Award for Rosetta Stone Version 3 Personal Edition, four classroom specific awards in 2009 for Classroom Version 3, two enterprise specific awards in 2009, the 2008 CODiE awards for best corporate learning solution and best instructional solution in other curriculum areas sponsored by the Software & Information Industry Association, the 2008 education product of the year awarded by MacWorld, the 2008 BESSIE multilevel foreign language award for Spanish Levels 1, 2 and 3 awarded by *ComputED Gazette* in 2008, the 2008 EDDIE Award for our classroom edition as the best foreign language website awarded by *ComputED Gazette*, the 2007 EDDIE multilevel foreign language award for Chinese levels 1 and 2 and a 2007 multilevel English-as-a-second-language, or ESL, award for English levels 1, 2 and 3 awarded by *ComputED Gazette*.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on March 25, 2010, at Tokyo, Japan.



Tom Adams

CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2010, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which shall send notification of such filing (NEF) to the following:

Jonathan D. Frieden
ODIN, FELDMAN & PETTLEMAN, P.C.
9302 Lee Highway, Suite 1100
Fairfax, VA 22031
jonathan.frieden@ofplaw.com

Counsel for Defendant, Google Inc.

Respectfully submitted,

March 26, 2010

Date

/s/

Warren T. Allen II (Va. Bar No. 72691)
Attorney for Rosetta Stone Ltd.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111
Telephone: (202) 371-7126
Facsimile: (202) 661-9121
Warren.Allen@skadden.com