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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission file number: **001-34382**

ROCKY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Ohio	**31-1364046**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

39 E. Canal Street, Nelsonville, Ohio 45764
(Address of Principal Executive Offices, Including Zip Code)

(740) 753-1951
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Emerging growth company ☐ Non-accelerated filer ☐ Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES☐ NO ☒

As of October 31, 2017, 7,394,478 shares of Rocky Brands, Inc. common stock, no par value, were outstanding.

FORM 10-Q

ROCKY BRANDS, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ROCKY BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2017	December 31, 2016	September 30, 2016
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	$ 2,238,862	$ 4,480,505	$ 3,942,209
Trade receivables – net	45,106,205	40,844,583	51,292,323
Other receivables	800,322	688,251	579,976
Inventories – net	76,885,153	69,168,442	79,922,305
Income tax receivable	-	1,243,678	1,190,702
Prepaid expenses	2,431,996	2,354,107	2,644,102
Total current assets	127,462,538	118,779,566	139,571,617
FIXED ASSETS – net	24,742,833	26,511,493	27,450,150
IDENTIFIED INTANGIBLES	33,319,334	33,415,694	36,448,490
OTHER ASSETS	225,310	232,509	238,251
TOTAL ASSETS	$ 185,750,015	$ 178,939,262	$ 203,708,508
LIABILITIES AND SHAREHOLDERS' EQUITY:			
CURRENT LIABILITIES:			
Accounts payable	$ 16,861,274	$ 11,589,040	$ 15,042,805
Accrued expenses:			
Salaries and wages	2,298,042	949,894	2,670,000
Taxes - other	502,252	842,325	678,280
Accrued freight	483,859	534,070	542,491
Commissions	401,261	446,703	446,906
Accrued duty	2,534,286	1,980,598	2,522,086
Income tax payable	1,275,893	-	-
Other	1,601,591	1,377,281	1,744,848
Total current liabilities	25,958,458	17,719,911	23,647,416
LONG TERM DEBT	11,630,000	14,584,008	30,972,398
DEFERRED INCOME TAXES	10,464,435	11,365,800	12,120,693
DEFERRED LIABILITIES	181,737	176,219	208,387

TOTAL LIABILITIES	48,234,630	43,845,938	66,948,894
SHAREHOLDERS' EQUITY:			
Common stock, no par value; 25,000,000 shares authorized; issued and outstanding September 30, 2017 - 7,403,195 and December 31, 2016 - 7,421,455 and September 30, 2016 - 7,447,331	68,979,376	69,291,637	69,507,320
Retained earnings	68,536,009	65,801,687	67,252,294
Total shareholders' equity	137,515,385	135,093,324	136,759,614
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 185,750,015	$ 178,939,262	$ 203,708,508

See notes to the interim unaudited condensed consolidated financial statements.

ROCKY BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
NET SALES	$ 64,675,082	$ 73,218,247	$ 186,202,989	$ 193,308,286
COST OF GOODS SOLD	45,163,538	53,452,487	128,779,845	138,368,374
GROSS MARGIN	19,511,544	19,765,760	57,423,144	54,939,912
OPERATING EXPENSE				
Selling, general, and administrative expenses	16,026,654	17,745,691	49,313,498	55,685,180
Reorganizational charge	-	1,159,527	-	1,159,527
Total operating expense	16,026,654	18,905,218	49,313,498	56,844,707
INCOME (LOSS) FROM OPERATIONS	3,484,890	860,542	8,109,646	(1,904,795)
OTHER INCOME AND (EXPENSE):				
Interest expense, net	(110,332)	(181,040)	(280,824)	(459,231)
Other – net	12,206	(3,873)	35,064	82,876
Total other income and (expense)	(98,126)	(184,913)	(245,760)	(376,355)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)	3,386,764	675,629	7,863,886	(2,281,150)
INCOME TAX EXPENSE (BENEFIT)	1,152,000	230,000	2,674,000	(776,000)
COMPREHENSIVE INCOME (LOSS)	$ 2,234,764	$ 445,629	$ 5,189,886	$ (1,505,150)
NET INCOME (LOSS) PER SHARE				
Basic	$ 0.30	$ 0.06	$ 0.70	$ (0.20)
Diluted	$ 0.30	$ 0.06	$ 0.70	$ (0.20)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	7,437,913	7,480,733	7,438,061	7,531,308
Diluted	7,443,001	7,504,521	7,441,378	7,531,308

See notes to the interim unaudited condensed consolidated financial statements.

ROCKY BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 5,189,886	$ (1,505,150)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	5,024,500	5,763,217
Deferred income taxes	-	151,902
Loss on disposal of fixed assets	32,975	30,243
Reorganizational charge	-	877,636
Stock compensation expense	245,083	271,515
Change in assets and liabilities		
Receivables	(4,373,693)	(6,739,613)
Inventories	(7,716,711)	(2,931,246)
Other current assets	264,424	(1,175,588)
Other assets	7,199	20,561
Accounts payable	5,204,387	5,763,850
Income taxes payable	1,275,893	-
Accrued and other liabilities	1,695,938	2,010,025
Net cash provided by operating activities	6,849,881	2,537,352
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(3,453,886)	(5,178,479)
Proceeds from sale of fixed assets	329,278	31,179
Net cash used in investing activities	(3,124,608)	(5,147,300)
CASH FLOWS FROM FINANCING ACTIVITIES:		

Proceeds from revolving credit facility	49,996,460	61,981,831
Repayments of revolving credit facility	(52,950,468)	(54,709,522)
Proceeds from exercise of stock options	14,236	-
Repurchase of common stock	(571,580)	(1,646,587)
Dividends paid on common stock	(2,455,564)	(2,480,705)
Net cash (used in) provided by financing activities	(5,966,916)	3,145,017
CHANGE IN CASH AND CASH EQUIVALENTS	(2,241,643)	535,069
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,480,505	3,407,140
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,238,862	$ 3,942,209

See notes to the interim unaudited condensed consolidated financial statements.

ROCKY BRANDS, INC.
AND SUBSIDIARIES

NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

We are a leading designer, manufacturer and marketer of premium quality footwear marketed under a portfolio of well recognized brand names including Rocky, Georgia Boot, Durango, Lehigh and Creative Recreation. Our brands have a long history of representing high quality, comfortable, functional and durable footwear and our products are organized around six target markets: outdoor, work, duty, commercial military, western and lifestyle. In addition, as part of our strategy of outfitting consumers from head-to-toe, we market complementary branded apparel and accessories that we believe leverage the strength and positioning of each of our brands.

In the opinion of management, the accompanying interim unaudited condensed consolidated financial statements reflect all adjustments that are necessary for a fair presentation of the financial results. All such adjustments reflected in the unaudited interim condensed consolidated financial statements are considered to be of a normal and recurring nature. The results of operations for the three and nine months ended September 30, 2017 and 2016 are not necessarily indicative of the results to be expected for the whole year. The December 31, 2016 condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP"). This Quarterly Report on Form 10-Q should be read in connection with the Company's Annual Report on Form 10-K for the year ended December 31, 2016, which includes all disclosures required by GAAP.

2. TRADE RECEIVABLES

Trade receivables are presented net of the related allowance for uncollectible accounts of approximately $556,000, $1,041,000 and $1,011,000 at September 30, 2017, December 31, 2016 and September 30, 2016, respectively. The Company records the allowance based on historical experience, the age of the receivables, and identification of customer accounts that are likely to prove difficult to collect due to various criteria including pending bankruptcy. However, estimates of the allowance in any future period are inherently uncertain and actual allowances may differ from these estimates. If actual or expected future allowances were significantly greater or less than established reserves, a reduction or increase to bad debt expense would be recorded in the period this determination was made. Our credit policy generally provides that trade receivables will be deemed uncollectible and written-off once we have pursued all reasonable efforts to collect on the account.

3. INVENTORIES

Inventories, net of reserves, are comprised of the following:

	September 30, 2017	December 31, 2016	September 30, 2016
Raw materials	$ 15,287,467	$ 14,260,416	$ 16,768,169
Work-in-process	1,286,966	751,519	1,199,539
Finished goods	60,310,720	54,156,507	61,954,597
Total	$ 76,885,153	$ 69,168,442	$ 79,922,305

4. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information is as follows:

	Nine Months Ended September 30, 2017	2016
Supplemental cash flow information:		
Interest	$ 292,961	$ 431,591
Federal, state and local income taxes, net of refunds	$ 646,129	$ 231,707
Non-cash information:		
Fixed asset purchases in accounts payable	$ 284,370	$ 253,303

5. PER SHARE INFORMATION

Basic earnings per share ("EPS") is computed by dividing net income applicable to common shareholders by the weighted average number of common shares outstanding during each period. The diluted earnings per share computation includes common share equivalents, when dilutive.

A reconciliation of the shares used in the basic and diluted income per common share computation for the three months and nine months ended September 30, 2017 and 2016 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Weighted average shares outstanding	7,437,913	7,480,733	7,438,061	7,531,308
Dilutive restricted share units	4,339	23,788	3,123	-
Dilutive stock options	749	-	194	-
Dilutive weighted average shares outstanding	7,443,001	7,504,521	7,441,378	7,531,308

Weighted average shares that were anti-dilutive and therefore not included in the calculation of earnings per share were 37,361 and 63,705 for the three months ended September 30, 2017 and 2016, respectively. Weighted average shares that were anti-dilutive and therefore not included in the calculation of earnings per share were 87,180 and 125,222 for the nine months ended September 30, 2017 and 2016, respectively. For the nine months ended September 30, 2016, diluted earnings per share of common stock is equal to basic earnings per share of common stock due to the net loss.

6. RECENT FINANCIAL ACCOUNTING STANDARDS

Recently Issued Accounting Pronouncements

Rocky Brands, Inc. is currently evaluating the impact of certain ASUs on its Condensed Consolidated Financial Statements (unaudited) or Notes to the Interim Condensed Consolidated Financial Statements (unaudited):

Standard	Description	Anticipated Adoption Period	Effect on the financial statements or other significant matters
ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force).	The pronouncement provides specific guidance on eight cash flow classification issues to reduce the diversity in practice.	Q1 2018	The Company does not anticipate the adoption of this standard will have a material impact on the Company's financial statements.
ASU 2016-13, Measurement of Credit Losses on Financial Instruments	The pronouncement seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date by replacing the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.	Q1 2020	The Company is evaluating the impacts of the new standard on its existing financial instruments, including trade receivables.
ASU 2016-02, Leases (Topic 842).	The pronouncement introduces a lessee model that brings most leases on the balance sheet. The standard requires that lessees recognize the following for all leases (with the exception of short-term leases, as that term is defined in the standard) at the lease commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.	Q1 2019	The Company has formed an internal project team to begin gathering data relating to leasing activity at the Company. This includes compiling a list of all contracts that could meet the definition of a lease under the new standard and evaluating the accounting for these contracts under the new standard to determine the ultimate impact the new standard will have on the Company's financial statements.
ASU 2014-09, Revenue from Contracts with Customers (Topic 606).	The pronouncement outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	Q1 2018	The Company has formed an internal project team and has begun analyzing the various revenue streams at the Company and is determining the impact of the new standard on these revenue streams. As of September 30, 2017, the Company has not concluded on a method of adoption.

Recently Adopted Accounting Pronouncements

Standard	Description	Effect on the financial statements or other significant matters
ASU 2016-09, Compensation - Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting.	Among other provisions, the standard requires that all income tax effects of awards are recognized in the income statement when the awards vest or are settled and also allows an employer to make a policy election to account for forfeitures as they occur.	The Company adopted this ASU in the first quarter of 2017, which did not have a material effect on the condensed consolidated financial statements. Upon adoption, The Company has elected to continue incorporating an estimate for forfeitures for share-based compensation with a service condition.

ASU 2015-17, Income Taxes - Balance Sheet Classification of Deferred Taxes (Topic 740).	The amendments in this update simplify the presentation of deferred income taxes, the amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in this update apply to all entities that present a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this update.	The Company adopted this ASU effective January 2017 and applied the amendments retrospectively to maintain comparability of its condensed consolidated balance sheets. The change in accounting standard has been applied retrospectively by adjusting the condensed consolidated balance sheets for the prior periods presented.
ASU 2015-11, Inventory (Topic 330).	The amendments in this Update require an entity to measure inventory within the scope of this update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method.	The Company has adopted this ASU in the first quarter of 2017, which did not have an effect on the condensed consolidated financial statements.
ASU 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40).	Prior to this ASU, there was no guidance in accounting principles generally accepted in the United States (U.S. GAAP) about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments in this update provide that guidance. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued).	The Company has adopted this ASU in the first quarter of 2017, which did not have an effect on the condensed consolidated financial statements.

7. INCOME TAXES

	Earliest Exam Year
Taxing Authority Jurisdiction:	
U.S. Federal	2013
Various U.S. States	2012
Puerto Rico (U.S. Territory)	2011
Canada	2011

We do not believe we have any uncertain tax positions. In the third quarter of 2017, we chose to utilize an existing net operating loss (NOL) recognized as a tax receivable in the fourth quarter of 2016 and first quarter of 2017 to reduce 2017 estimated tax payments. This change in tax strategy from an NOL carryback to an NOL carryforward resulted in a reclassification of $901,365 from tax receivable to a deferred tax asset, which has been netted against our deferred tax liability on the balance sheet at September 30, 2017.

Our policy is to accrue interest and penalties on any uncertain tax position as a component of income tax expense. For the three and nine months ended September 30, 2017, no such expenses were recognized.

We provided for income taxes at an estimated effective tax rate of 34.0% for the three and nine month periods ended September 30, 2017 and 2016, respectively.

8. IDENTIFIED INTANGIBLES

A schedule of intangible assets is as follows:

September 30, 2017	Gross Amount	Accumulated Amortization	Carrying Amount
Trademarks:			
Wholesale	$ 29,343,578	$ -	$ 29,343,578
Retail	2,900,000	-	2,900,000
Patents	2,595,477	2,413,054	182,423
Customer relationships	2,200,000	1,306,667	893,333
Total Identified Intangibles	$ 37,039,055	$ 3,719,721	$ 33,319,334

December 31, 2016	Gross Amount	Accumulated Amortization	Carrying Amount
Trademarks:			
Wholesale	$ 29,343,578	$ -	$ 29,343,578
Retail	2,900,000	-	2,900,000
Patents	2,595,477	2,376,694	218,783
Customer relationships	2,200,000	1,246,667	953,333
Total Identified Intangibles	$ 37,039,055	$ 3,623,361	$ 33,415,694

September 30, 2016	Gross Amount	Accumulated Amortization	Carrying Amount
Trademarks:			
Wholesale	$ 32,343,578	$ -	$ 32,343,578
Retail	2,900,000	-	2,900,000
Patents	2,595,477	2,363,898	231,579
Customer relationships	2,200,000	1,226,667	973,333

Total Identified Intangibles	$ 40,039,055	$ 3,590,565	$ 36,448,490

Amortization expense for intangible assets was $31,696 and $32,924 for the three months ended September 30, 2017 and 2016, respectively and $96,360 and $99,383 for the nine months ended September 30, 2017 and 2016 respectively. The weighted average amortization period for patents and customer relationships are 6 years.

Estimate of Aggregate Amortization Expense for the years ending December 31:		
2018	$	121,468
2019		113,484
2020		110,578
2021		105,556
2022		101,969

9. LONG-TERM DEBT

In October 2010, we entered into a financing agreement with PNC Bank ("PNC") to provide a $70 million credit facility. In December 2014, we amended and restated the credit facility to increase the facility to $75 million and extend the term of the facility an additional five years. The credit facility's base interest rate is the current prime rate less 0.25%, however the credit facility provides us the option to borrow on up to eight fixed loans at LIBOR plus 1.25% in accordance with the 2014 amended and restated credit agreement. The LIBOR rate is determined based on the fixed loan maturities, which vary from 30, 60, 90, or 180 days. The amended and restated credit facility matures in November 2019.

The Company's credit facility borrowings consist of the following:

	September 30, 2017	December 31, 2016	September 30, 2016
LIBOR borrowings (1)	$ 10,000,000	$ 12,000,000	$ 23,000,000
Prime borrowings (2)	1,630,000	2,584,008	7,972,398
Total credit facility borrowings	$ 11,630,000	$ 14,584,008	$ 30,972,398

(1) September 30, 2017 effective rate of 2.49%. Variable effective rate at September 30, 2017, based on LIBOR + 1.25%
(2) September 30, 2017 effective rate of4.00%. Variable effective rate at September 30, 2017, based on Prime - 0.25%

The total amount available under our amended and restated revolving credit facility is subject to a borrowing base calculation based on various percentages of accounts receivable and inventory. As of September 30, 2017, we had total capacity of $70.2 million.

Our amended and restated credit facility contains a restrictive covenant which requires us to maintain a fixed charge coverage ratio. This restrictive covenant is only in effect upon a triggering event taking place (as defined in the amended and restated credit facility agreement). At September 30, 2017, there was no triggering event and the covenant was not in effect.

10. SEGMENT INFORMATION

We have identified three reportable segments: Wholesale, Retail and Military. Wholesale includes sales of footwear and accessories to several classifications of retailers, including sporting goods stores, outdoor specialty stores, online retailers, independent retailers, mass merchants, retail uniform stores, and specialty safety shoe stores. Retail includes all sales from our consumer websites, stores and all sales in our Lehigh division. Military includes sales to the U.S. Military. The following is a summary of segment results for the Wholesale, Retail, and Military segments.

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
NET SALES:				
Wholesale	$ 46,049,837	$ 52,884,845	$ 122,323,991	$ 134,569,643
Retail	11,069,669	10,267,553	33,944,718	32,201,519
Military	7,555,576	10,065,849	29,934,280	26,537,124
Total Net Sales	$ 64,675,082	$ 73,218,247	$ 186,202,989	$ 193,308,286
GROSS MARGIN:				
Wholesale	$ 14,087,674	$ 15,137,982	$ 38,623,219	$ 39,599,574
Retail	4,877,916	4,539,177	14,889,559	14,311,227
Military	545,954	88,601	3,910,366	1,029,111
Total Gross Margin	$ 19,511,544	$ 19,765,760	$ 57,423,144	$ 54,939,912

Segment asset information is not prepared or used to assess segment performance.

11. FAIR VALUE

Generally accepted accounting standards establish a framework for measuring fair value. The fair value accounting standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard clarifies how to measure fair value as permitted under other accounting pronouncements.

The fair value accounting standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. This standard also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.

- Level 2 – Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair values of cash and cash equivalents, receivables, and payables approximated their carrying values because of the short-term nature of these instruments. Receivables consist primarily of amounts due from our customers, net of allowances, amounts due from employees (sales persons' advances in excess of commissions earned and employee travel advances); other customer receivables, net of allowances; and expected insurance recoveries. The carrying amounts of our long-term credit facility and other short-term financing obligations also approximate fair value, as they are comparable to the available financing in the marketplace during the year. The fair value of our revolving line of credit is categorized as Level 2.

12. REORGANIZATIONAL CHARGE

During the third quarter of 2016, we implemented initiatives to reorganize the Company to maximize profitability, drive long-term revenue growth and maximize shareholder value. The costs related to this reorganization are recorded to "Reorganizational Charge" in our condensed consolidated statements of operations. During the three and nine months ended September 30, 2016, costs of approximately $1,160,000 were recognized related to these initiatives, which consisted of severance costs. As of September 30, 2016, we had approximately $878,000 in accrued reorganizing charges recorded to "Accrued expenses – Salaries and wages" in our condensed consolidated balance sheet relating to future severance payments. We do not expect to incur additional costs related to our reorganization efforts.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, information derived from our Interim Unaudited Condensed Consolidated Financial Statements, expressed as a percentage of net sales. The discussion that follows the table should be read in conjunction with our Interim Unaudited Condensed Consolidated Financial Statements as well as our annual report on 10-K for the year ended December 31, 2016.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost Of Goods Sold	69.8%	73.0%	69.2%	71.5%
Gross Margin	30.2%	27.0%	30.8%	28.5%
Selling, General and Administrative Expenses	24.8%	24.2%	26.5%	28.8%
Reorganizational Charge	-	1.6%	-	0.6%
Income (Loss) From Operations	5.4%	1.2%	4.4%	(0.9)%

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Net sales. Net sales for the three months ended September 30, 2017 were $64.7 million compared to $73.2 million for the same period in 2016. Wholesale sales for the three months ended September 30, 2017 were $46.0 million compared to $52.9 million for the same period in 2016. The $6.9 million decrease in wholesale sales was primarily driven by the discontinuation of a private label work program at the end of the third quarter of 2016 and a decrease in commercial military sales in the third quarter of 2017 as we were unable to anniversary the large initial sell-in of new boots that took place in 2016 when the color pattern changed from tan to coyote. Retail sales for the three months ended September 30, 2017 were $11.1 million compared to $10.3 million for the same period in 2016. Military segment sales for the three months ended September 30, 2017, were $7.6 million, compared to $10.1 million in the same period in 2016. We are currently fulfilling several multiyear contracts for the U.S. military.

Gross margin. Gross margin for the three months ended September 30, 2017 was $19.5 million, or 30.2% of net sales, compared to $19.8 million, or 27.0% of net sales, in the same period last year. Third quarter 2017 gross margin includes approximately $1 million of additional expenses related to payroll and overhead costs that could not be capitalized in inventory due to lower than usual production volumes at the Company's Puerto Rico manufacturing facility because of the disruption from Hurricanes Maria and Irma. Wholesale gross margin for the three months ended September 30, 2017 was $14.1 million, or 30.6% of net sales, compared to $15.1 million, or 28.6% of net sales, in the same period last year. The increase in wholesale gross margins was driven by the combination of better full price selling, less discounting and the discontinuation of a lower margin private label program. The Retail gross margin for the three months ended September 30, 2017 was $4.9 million, or 44.1% of net sales, compared to $4.5 million, or 44.2% of net sales, for the same period in 2016. Military gross margin for the three months ended September 30, 2017 was $0.5 million, or 7.2% of net sales, compared to $0.1 million, or 0.9% of net sales, for the same period in 2016. The military gross margins were not as high as expected due to lower than usual production volumes in our Puerto Rico facility because of the disruption from Hurricanes Maria and Irma. For the year, we still expect Military segment gross margins to be in the mid-teen range. The lower military margins in 2016 were due to higher manufacturing costs associated with the ramp up of production at our manufacturing facility in Puerto Rico.

SG&A expenses. SG&A expenses were $16.0 million, or 24.8% of net sales, for the three months ended September 30, 2017, compared to $17.7 million, or 24.2% of net sales for the same period in 2016. The net decrease in 2017 was primarily related to the reorganization efforts completed in the third quarter of 2016.

Interest expense. Interest expense was $0.1 million for the three months ended September 30, 2017, compared to $0.2 million for the same period in 2016.

Income tax expense. Income tax expense for the three months ended September 30, 2017 was $1.2 million, compared to $0.2 million for the same period in 2016. We provided for income taxes at an effective tax rate of 34.0% for 2017 and 2016.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Net sales. Net sales for the nine months ended September 30, 2017 were $186.2 million compared to $193.3 million for the same period in 2016. Wholesale sales for the nine months ended September 30, 2017 were $122.3 million compared to $134.6 million for the same period in 2016. The $12.2 million decrease in wholesale sales was primarily driven by the discontinuation of a private label work program in the third quarter of 2016 and a decrease in commercial military sales in the second and third quarter of 2017 as we were unable to anniversary the large initial sell-ins of new boots that took place in 2016 when the color pattern changed from tan to coyote. Retail sales for the nine months ended September 30, 2017 were $33.9 million compared to $32.2 million for the same period in 2016. Military segment sales for the nine months ended September 30, 2017, were $29.9 million, compared to $26.5 million in the same period in 2016. We are currently fulfilling several multiyear contracts for the U.S. military.

Gross margin. Gross margin for the nine months ended September 30, 2017 was $57.4 million, or 30.8% of net sales, compared to $54.9 million, or 28.4% of net sales, in the same period last year. G ross margin includes approximately $1 million of additional expenses related to payroll and overhead costs that could not be capitalized in inventory due to lower than usual production volumes at the Company's Puerto Rico manufacturing facility because of the disruption from Hurricanes Maria and Irma. Wholesale gross margin for the nine months ended September 30, 2017 was $38.6 million, or 31.6% of net sales, compared to $39.6 million, or 29.4% of net sales, in the same period last year. The increase in wholesale gross margins was driven by the combination of better full price selling, less discounting and the discontinuation of a lower margin private label program. The Retail gross margin for the nine months ended September 30, 2017 was $14.9 million, or 43.9% of net sales, compared to $14.3 million, or 44.4% of net sales, for the same period in 2016. Military gross margin for the nine months ended September 30, 2017 was $3.9 million, or 13.1% of net sales, compared to $1.0 million, or 3.9% of net sales, for the same period in 2016. The large increase in military gross margin percentage was mainly driven by better efficiencies within our Puerto Rico facility throughout the year. For the year, we still expect Military segment gross margins to be in the mid-teen range. The lower military margins in 2016 were due to higher manufacturing costs associated with the ramp up of production at our manufacturing facility in Puerto Rico.

SG&A expenses. SG&A expenses were $49.3 million, or 26.5% of net sales, for the nine months ended September 30, 2017, compared to $55.7 million, or 28.8% of net sales for the same period in 2016. The net decrease in 2017 was primarily related to the reorganization efforts completed in the third quarter of 2016.

Interest expense. Interest expense was $0.3 million for the nine months ended September 30, 2017 and $0.5 million for the same period in 2016.

Income tax expense. Income tax expense for the nine months ended September 30, 2017 was $2.7 million, compared to a $0.8 million income tax benefit for the same period a year ago. We provided for income taxes at an effective tax rate of 34.0% for 2017 and 2016.

Liquidity and Capital Resources

Our principal sources of liquidity have been our income from operations and borrowings under our amended and restated credit facility. For more information regarding our amended and restated credit facility, please see footnote 9 of our financial statements.

Over the last several years our principal uses of cash have been for working capital and capital expenditures to support our growth. Our working capital consists primarily of trade receivables and inventory, offset by accounts payable and accrued expenses. Our working capital fluctuates throughout the year as a result of our seasonal business cycle and business expansion and is generally lowest in the months of January through March of each year and highest during the months of May through October of each year. We typically utilize our revolving credit facility to fund our seasonal working capital requirements. As a result, balances on our revolving credit facility will fluctuate significantly throughout the year. Our capital expenditures relate primarily to projects relating to our property, merchandising fixtures, molds and equipment associated with our manufacturing and distribution operations, retail sales fleet and for information technology. Capital expenditures were $3.5 million for the first nine months of 2017, compared to $5.2 million for the same period in 2016. Total capital expenditures for 2017 are anticipated to be approximately $4.0 million.

Operating Activities. Cash provided by operating activities totaled $6.8 million and $2.5 million for the nine months ended September 30, 2017 and 2016, respectively. Cash provided by operating activities for both the nine months ended September 30, 2017 and 2016 respectively, were primarily impacted by increases in accounts payable and other accrued liabilities, partially offset by increases in accounts receivable and inventory.

Investing Activities. Cash used in investing activities was $3.1 million for the nine months ended September 30, 2017, compared to $5.1 million in the same period of 2016. Cash used in investing activities reflected an investment in property, plant and equipment of $3.5 million in 2017 and $5.2 million in 2016. Our 2017 and 2016 expenditures primarily related to investments in molds and equipment associated with our manufacturing operations, for information technology and for improvements to our distribution facility.

Financing Activities. Cash used in financing activities was $6.0 million for the nine months ended September 30, 2017 and cash provided by financing activities was $3.1 million in the same period of 2016. This was primarily related to net payments under the revolving credit facility, share repurchases, and dividends paid on our common stock.

Critical Accounting Policies and Estimates

The preparation of the Company's condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company's estimates. However, actual results may differ materially from these estimates under different assumptions or conditions.

We have identified the critical accounting policies used in determining estimates and assumptions in the amounts reported in our Management Discussion and Analysis of Financial Conditions and Results of Operations in our 2016 Form 10-K. Our management believes there have been no material changes in those critical accounting policies.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

Except for the historical information contained herein, the matters discussed in this Quarterly Report on Form 10-Qinclude certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but may not be limited to, all statements regarding our and management's intent, beliefs and expectations such as statements concerning our future profitability and our operating and growth strategy. Words such as "believe," "anticipate," "expect," "will," "may," "should," "intend," "plan," "estimate," "predict," "potential," "continue," "likely" and similar expressions are intended to identify forward-looking statements. Investors are cautioned that all forward-looking statements contained in this Quarterly Report on Form 10-Q and in other statements we make involve risks and uncertainties including, without limitation, the factors set forth under the caption "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2016 (filed March 9, 2017), and other factors detailed from time to time in our other filings with the Securities and Exchange Commission. One or more of these factors have affected historical results, and could in the future affect the Company's businesses and financial results in future periods and could cause actual results to differ materially from plans and projections. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, there can be no assurance that any of the forward-looking statements included in this Quarterly Report on Form 10-Q will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. All forward-looking statements made in this Quarterly Report on Form 10-Q are based on information presently available to our management. We assume no obligation to update any forward-looking statements.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes since December 31, 2016.

ITEM 4 – CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, our management, with the participation of our chief executive officer and chief financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 promulgated under the Exchange Act. Based upon this evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were (1) designed to ensure that material information relating to our Company is accumulated and made known to our management, including our chief executive officer and chief financial officer, in a timely manner, particularly during the period in which this report was being prepared, and (2) effective, in that they provide reasonable assurance that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Management believes, however, that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Internal Controls. There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) during our fiscal quarter ended September 30, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II -- OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 1A - RISK FACTORS

There have been no material changes to our risk factors as disclosed in Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information concerning the Company’s purchases of common stock for the periods indicated

Period	Total number of shares (or units) purchased	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
July 1, 2017 - July 31, 2017	-	-	-	$ 7,500,000
August 1, 2017 - August 31, 2017	-	-	-	7,500,000
September 1, 2017 - September 30, 2017	48,816	$ 13.35	48,816	6,848,221
Total	48,816	$ 13.35	48,816	6,848,221

In March 2017, the Company announced a $7,500,000 share repurchase plan. The repurchase program terminates on March 31, 2018. During the third quarter of 2017 the Company repurchased a total of 42,816 shares at a weighted average share price of $13.35.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 – MINE SAFETY DISCLOSURES

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
31.1*	Certification pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Chief Executive Officer.
31.2*	Certification pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Chief Financial Officer.
32.1+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer.
32.2+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer.
101*	Attached as Exhibits 101 to this report are the following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 formatted in XBRL ("eXtensible Business Reporting Language"): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (vi) related notes to these financial statements.

* Filed with this report.
\+ Furnished with this report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Rocky Brands, Inc.

Date: November 7, 2017	/s/ Thomas D. Robertson
	Thomas D. Robertson - Chief Financial Officer

* In his capacity as Chief Financial Officer, Mr. Robertson is duly authorized to sign this report on behalf of the Registrant.

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) OF THE CHIEF EXECUTIVE OFFICER

I, Jason Brooks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rocky Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 7, 2017
/s/ Jason Brooks
Jason Brooks
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) OF THE CHIEF FINANCIAL OFFICER

I, Thomas D. Robertson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rocky Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial inform ation included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 7, 2017
/s/ Thomas D. Robertson
Thomas D. Robertson
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, OF THE CHIEF EXECUTIVE OFFICER

In connection with the Quarterly Report of Rocky Brands, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jason Brooks, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason Brooks
Jason Brooks, President and Chief Executive Officer
November 7, 2017

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, OF THE CHIEF FINANCIAL OFFICER

In connection with the Quarterly Report of Rocky Brands, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas D. Robertson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas D. Robertson
Thomas D. Robertson, Chief Financial Officer
November 7, 2017