
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) December 15, 2006

ROCKY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Ohio	0-21026	31-1364046
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
39 East Canal Street, Nelsonville, Ohio		45764
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code (740) 753-1951

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On December 15, 2006, the Compensation Committee (the “Compensation Committee”) of the Board of Directors (the “Board”) of Rocky Brands, Inc. (the “Company”) approved and adopted the Company’s Bonus Plan for the fiscal year ending December 31, 2007 (the “2007 Bonus Plan”). The material terms of the 2007 Bonus Plan are attached as Exhibit 10.1 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On December 15, 2006, the Compensation Committee recommended, and the Board approved and adopted, the annual compensation for the directors who are not also employees or officers of the Company, effective January 1, 2007. The schedule of outside director compensation is furnished as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated into this Item 7.01 of Form 8-K by reference.

On December 15, 2006, the Compensation Committee also approved and adopted base salaries of the “named executive officers” of the Company (as defined by Item 402(a)(3) of Regulation S-K for purposes of the Company’s proxy statement for the 2007 annual meeting of shareholders). The schedule of base salaries of the named executive officers is furnished as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated into this Item 7.01 of Form 8-K by reference.

The information in this Item 7.01 of Form 8-K is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<i>Exhibit No.</i>	<i>Description</i>
10.1	Description of the Material Terms of Rocky Brands, Inc.’s Bonus Plan for the Fiscal Year Ending December 31, 2007
10.2	Schedule of Outside Director Fees as of January 1, 2007
10.3	Schedule of Named Executive Officer Base Salaries as of January 1, 2007

SIGNATURES

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 hereunto duly authorized.

Rocky Brands, Inc.

Date: December 21, 2006

By: /s/ James E. McDonald
James E. McDonald,
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u><i>Exhibit No.</i></u>	<u><i>Description</i></u>
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10.3	Schedule of Named Executive Officer Base Salaries as of January 1, 2007

**Description of the Material Terms of Rocky Brands, Inc.'s
Bonus Plan for the Fiscal Year Ending December 31, 2007**

Messrs. Brooks, Sharp, McDonald and Morrison (the "Executive Officers") are eligible to receive cash bonuses under the Company's Bonus Plan for the fiscal year ending December 31, 2007 (the "2007 Bonus Plan"), based upon the attainment of certain Adjusted Operating Income targets. For purposes of the 2007 Bonus Plan, Adjusted Operating Income is calculated as the Company's operating income excluding (i) operating income attributable to military sales, and (ii) bonuses payable under the 2007 Bonus Plan. If the Adjusted Operating Income performance targets are met, the Executive Officers will receive cash bonuses based on a percentage of their base salaries in accordance with the table below (with bonus amounts to be interpolated between the performance levels):

	Payout as a Percentage of Base Salary		
	Threshold	Target	Goal
Mike Brooks Chairman of the Board and Chief Executive Officer	0%	75%	175%
David Sharp President and Chief Operating Officer	0%	60%	140%
James E. McDonald Executive Vice President and Chief Financial Officer	0%	50%	115%
Thomas R. Morrison Senior Vice President of Wholesale Sales	0%	30%	60%

No payment will be made for performance below the Threshold amount of Adjusted Operating Income, and no payment will be required for performance above the Goal amount of Adjusted Operating Income; provided, however, that to the extent Adjusted Operating Income exceeds the Goal amount for fiscal 2007, 10% of all Adjusted Operating Income in excess of the Goal amount will go into a pool to be distributed to any or all plan participants, including, but not limited to, the Executive Officers of the Company, at the discretion of the Compensation Committee.

In addition to the foregoing, assuming that at least the Threshold amount of Adjusted Operating Income is attained, 10% of any operating income attributable to military sales during fiscal 2007 will go into a pool to be distributed, at the discretion of the Compensation Committee of the Board, to any or all of the plan participants, including, but not limited to, the Executive Officers of the Company, at the discretion of the Compensation Committee.

If Mr. Brooks becomes eligible to receive a cash bonus under the 2007 Bonus Plan exceeding \$10,000, at the time scheduled for payment of the bonus, he may choose to receive any portion of his bonus in the form of the issuance of restricted shares of common stock of the Company, which shares will vest immediately but will not be tradable in the public markets for one year (the "Restricted Stock"). If Messrs. Sharp and McDonald become eligible to receive a cash bonus under the 2007 Bonus Plan exceeding \$10,000, at the time scheduled for payment of the bonus, a minimum of 35% of the bonus shall be paid in shares of Restricted Stock of the Company, and each of Messrs. Sharp and McDonald may choose to receive any additional portion of his bonus in the form of shares of Restricted Stock. If Mr. Morrison becomes eligible to receive a cash bonus exceeding \$10,000, at the time scheduled for payment of the bonus, a minimum of 10% of the cash bonus shall be paid in shares of Restricted Stock of the Company, and Mr. Morrison may choose to receive any additional portion of his bonus in the form of Restricted Stock.

Schedule of Outside Director Fees
(as of January 1, 2007)

Beginning on January 1, 2007, fees for non-employee members of the Company's Board of Directors will be as follows:

- an annual retainer of \$50,000 for service on the Board of Directors, 35% of which is payable in restricted shares of the Company's common stock issued on the first day of January each year, which shares shall be fully vested immediately but not tradable in the public markets for one year, and 65% of which is payable in cash quarterly;
- the Audit Committee Chairman shall receive an additional annual retainer of \$8,000, payable in cash quarterly;
- the Compensation Committee Chairman shall receive an additional annual retainer of \$6,000, payable in cash quarterly;
- the Nominating and Corporate Governance Committee Chairman shall receive an additional annual retainer of \$4,000, payable in cash quarterly; and
- each board member shall be reimbursed for all reasonable out-of-pocket expenses incurred in connection with his or her attendance at a board or committee meeting.

Schedule of Named Executive Officer Base Salaries
(as of January 1, 2007)

Effective January 1, 2007, the base salaries of the "named executive officers" of the Company (as defined by Item 402(a)(3) of Regulation S-K for purposes of the Company's proxy statement for the 2007 annual meeting of shareholders) shall be as follows:

Name	2007 Base Salary
Mike Brooks Chairman of the Board and Chief Executive Officer	\$ 475,000
David Sharp President and Chief Operating Officer	\$ 385,000
James E. McDonald Executive Vice President and Chief Financial Officer	\$ 280,000
Thomas R. Morrison Senior Vice President of Wholesale Sales	\$ 220,000