

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

January 22, 2007 (January 16, 2007)  
Date of Report (Date of earliest event reported)

**VERTICAL BRANDING, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-31667**  
(Commission File No.)

**13-3579974**  
(IRS Employer Identification No.)

**16000 Ventura Blvd, Suite 301**  
**Encino, CA 91436**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(310) 575-0955**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))

## Forward-Looking Statements

Statements in this Current Report on Form 8-K (including the exhibit) that are not purely historical facts, including statements regarding the Company's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements". All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, introduction of products in a timely fashion, market acceptance of new products, cost increases, fluctuations in and obsolescence of inventory, price and product competition, availability of labor and materials, development of new third-party products and techniques that render our products obsolete, delays in obtaining regulatory approvals, potential product recalls and litigation. Risk factors, cautionary statements and other conditions which could cause our actual results to differ from management's current expectations are contained in our filings with the Securities and Exchange Commission. We undertake no obligation to update any forward-looking statement to reflect events or circumstances that may arise after the date of this filing.

### Item 8.01 Other Events

On January 16, 2007, the Company issued a press release announcing record sales of approximately \$11 million for its fourth quarter ended December 31, 2006.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is filed with this report:

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press release dated January 16, 2007 entitled "Vertical Branding, Inc. Announces Preliminary 4th Quarter Sales Results"

**SIGNATURE**

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

VERTICAL BRANDING, INC.

/s/ VICTOR BRODSKY

January 22, 2007

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Victor Brodsky  
*Vice President and Chief Financial Officer*  
*(Principal Financial and Accounting Officer)*

## Exhibit 99.1

Press Release

Source: Vertical Branding, Inc.

# Vertical Branding, Inc. Announces Preliminary 4th Quarter Sales Results

Tuesday January 16, 10:13 am ET

LOS ANGELES, Jan. 16, 2007 (PRIME NEWSWIRE) -- Vertical Branding, Inc. (OTC BB:[VBDG.OB - News](#)), a consumer products branding, marketing, and distribution company, announced today that it expects to report record sales for its fourth quarter ended December 31, 2006. The Company released preliminary consolidated net revenue figures of approximately \$11 million for the fourth quarter, which represents a 645% increase over the same quarter of the prior year and over 100% sequential quarterly growth.

"We are very pleased with our fourth quarter performance as we continued a strong sales trend begun in the third quarter," said Nancy Duitch, CEO of Vertical Branding, Inc. "Our extraordinary sales growth over the past couple quarters can be attributed to a combination of factors that include the availability of working capital from our convertible debt financing in the third quarter, our contemporaneous acquisition of rights to highly marketable products and a retail distribution division from Adsouth Partners, Inc., as well as the ability of our management team to quickly leverage these and other opportunities. We view the latter half of 2006 as a significant turning point for the Company and are excited about 2007 as we endeavor to build on this momentum."

Vertical Branding announced that it expects to report fourth quarter retail distribution segment sales of approximately \$3.9 million and direct response marketing segment sales of approximately \$6.9 million. The Company's retail segment began in August 2006 with its acquisition of the consumer products division of Adsouth Partners, Inc. Third quarter 2006 retail segment sales were \$1.2 million. Preliminary fourth quarter direct response segment sales represent an approximately 367% increase over the same period of the prior year and approximately 76% sequential quarterly growth. Sales from real estate activities in the fourth quarter are expected to be equivalent to those of the third quarter, or approximately \$175,000.

Based on preliminary fourth quarter sales results, Vertical Branding expects to report net revenues of approximately \$23.4 million for fiscal year 2006, a 188% increase over fiscal year 2005 net revenues of \$8.1 million.

The results announced by Vertical Branding today are preliminary in nature and, because the Company reports revenue on a net sales basis, it is possible that reported results may differ in the event of year-end audit adjustments.

About Vertical Branding, Inc.

Vertical Branding, Inc. (OTC BB:[VBDG.OB - News](#)) is a consumer products, branding, marketing, and distribution company. The Company takes an integrated vertical marketing approach to brand building utilizing a variety of media channels, including television, online media, and print advertising. The Company also has established retail, catalog, and international product distribution channels to drive consumer sales. The Company's focus is on finding appealing and high quality products that meet a real need in the marketplace with emphasis on the health, beauty, relationship, personal care, and house ware product categories.

Information Regarding Forward-Looking Statements

Except for historical information contained herein, the statements in this Press Release are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecasted results. These risks and uncertainties include, among other things, product demand, market competition, and risks inherent in our operations. These and other risks are described in our filings with the Securities and Exchange Commission. We assume no obligation to update these forward-looking statements. This document is only for the general information of shareholders,

potential investors and other interested parties, and is not to be construed as an offer to sell or the solicitation of an offer to buy any securities. The opinions expressed herein are the current opinions of management as of the date appearing on this document.

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Source: Vertical Branding, Inc.