

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

March 15, 2008
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: **(818) 926-4900**

(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 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))

Item 1.01 Entry into a Material Definitive Agreement.

See Item 5.02 below.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 15, 2008, Vertical Branding, Inc. (the “Company”) and Alan Gerson, the Company’s President and Chief Operating Officer, entered into a separation agreement and release (the “Separation Agreement”) pursuant to which Mr. Gerson resigned as an officer and director of the Company effective immediately. The Agreement provides for severance payments to Mr. Gerson equivalent to seven months of salary and benefits in fourteen semi-monthly installments, as well as accelerated vesting of portions of previously issued stock options in the amount of 250,000 shares at \$0.52 and 5,555 shares at \$1.05.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Report:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Separation Agreement and Release with Alan Gerson

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.

Date: March 18, 2008

VERTICAL BRANDING, INC.

By: /s/ Victor Brodsky
Victor Brodsky
Chief Financial Officer