UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of theSecurities Exchange Act of 1934

Date of Report: November 18, 2010
(Date of earliest event reported)

CLEARFIELD, INC.
(Exact Name of Registrant as Specified in Charter)

Minnesota
(State or Other Jurisdiction of Incorporation)

0-16106	41-1347235
(Commission File No.)	(IRS Employer Identification No.)

5480 Nathan Lane North, Suite 120, Plymouth, MN 55442
(Address of Principal Executive Offices)(Zip Code)

(763) 476-6866
(Registrant's Telephone Number, Including Area Code)

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:

☐ 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))

Items under Sections 1 though 4 and 6 through 8 are not applicable and therefore omitted.

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

FY 2011 Cash Bonus Program

On November 18, 2010, the Compensation Committee (the "Committee") of the Board of Directors of Clearfield, Inc. (the "Company") recommended, and the Board of Directors adopted, the 2011 cash bonus program (the "Program") for company employees. Among the employees participating in the Program are the Company's current executive officers (the "Executives"): Cheryl P. Beranek, Chief Executive Officer; John P. Hill, Chief Operating Officer; and Bruce G. Blackey, Chief Financial Officer. The Committee retains the discretion to modify the terms of the Program and to grant cash bonuses or other compensation to the Executives and other employees outside the Program.

The performance goal under the Program relates to the Company's achievement at the end of fiscal year 2011 of net income from continuing operations, excluding taxes, interest income or expense, income, gain or loss from the rental of the Company's Aberdeen, South Dakota property and any bonus amounts ("ICO"). The Committee also established minimum, target and maximum performance goals relating to ICO and the methodology for calculating a bonus pool available for awards to all participants in the Program based upon achievement of certain levels of ICO. The cash bonus pool relating to ICO for fiscal year 2011 will be adjusted if the Company's financial performance either exceeds or is less than the target level. A portion of the bonus pool based upon ICO is allocated to payments to the Executives and certain other key employees. Achievement of ICO at less than target level will result in a decreasing bonus pool and bonus to the Executives until the achievement fails to meet the minimum performance goals, at which point the Executive is entitled to no bonus relating ICO.

Payouts of the cash bonus will be made following the Committee's determinations at the end of the fiscal year to those Executives who continue to be employed as of the end of the fiscal year.

The following table shows the bonus that may be earned under the Program by the Executives as a percentage of each of their respective fiscal year 2011 annual base salaries at the target and maximum level of the Company's achievement of ICO for fiscal year 2011.

	2011 Cash Bonus Program	
Name of Executive	% of SalaryFor FY 2011 Target ICO	% of Salary For FY 2011 Maximum ICO
Cheryl P. Beranek	60%	150%
Johnny Hill	60%	150%
Bruce G. Blackey	40%	75%

FY 2011 Base Salaries

On November 18, 2010, the Committee approved fiscal year 2011 base salaries for the Executives as follows: Ms. Beranek, $258,750; Mr. Hill, $207,000; and Mr. Blackey, $150,696.

Adoption of Tax Gross-Up Plan

On December 16, 2008, the Company entered into employment agreements with each of Cheryl P. Beranek and John P. Hill. The employment agreements provide that that if any payment to the executive under the employment agreement would be subject to an excise tax, the executive officer may be entitled to receive an additional payment under an excise tax gross-up payment plan provided to senior executives of the Company. Under certain circumstances, executive compensation or severance arrangements that are triggered by a change in control may trigger the excise tax provisions of Section 4999 of the Internal Revenue Code.

On November 18, 2010, the Committee recommended, and the Board of Directors approved, the Code 280G Tax Gross Up Payment Plan (the "Plan") in order to fulfill the Company's obligation under the employment agreements. The Plan requires the Company to reimburse the executive, on an after-tax basis, for any excise taxes payable by the executive pursuant to Section 4999 of the Internal Revenue Code with respect to any payments under the employment agreements. The Plan also sets out procedures for determining the amount of the tax gross-up payment and resolving any disputes relating to the payment or payment obligation, as well the process and timing for any payments required by the Plan.

The Plan may be amended from time to time by the Board of Directors of the Company. However, no amendment that adversely affects any executive whose employment agreement provides for a tax gross-up payment governed by the Plan will be effective unless each such executive consents in writing to such amendment. The Plan shall terminate at such time as all employment agreements between the Company and any executive that provides for a tax gross-up payment governed by the Plan terminate or expire in accordance with their respective terms without further liability for the tax gross-up payment.

The foregoing summary of the Plan does not purport to be complete and is subject to and qualified in its entirety by reference to the Plan, which is attached hereto as Exhibit 10.1 to this Form 8-K and is incorporated by reference into this Item 5.02.

Life Insurance Benefit

On November 18, 2010, the Committee approved a term life insurance benefit for Cheryl P. Beranek and John P. Hill. The Company will pay premiums on behalf of Ms. Beranek and Mr. Hill for a life insurance policy with death benefits payable to beneficiaries selected by Ms. Beranek and Mr. Hill, respectively.

Item 9.01 **Financial Statements and Exhibits.**

Exhibit	Description
10.1	Clearfield, Inc. Code 280G Tax Gross Up Payment Plan Adopted November 18, 2010.

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.

CLEARFIELD, INC.

By /s/ Cheryl P. Beranek

Cheryl P. Beranek, Chief Executive Officer

Dated: November 22, 2010

CLEARFIELD, INC.

CODE 280G TAX GROSS-UP PAYMENT PLAN

Clearfield, Inc. (the “Company”), pursuant to resolutions approved by its Board of Directors hereby establishes this Excise Tax Gross-Up Payment Plan (the “Plan”), effective as of November 18, 2010.

1. Purpose. The purpose of the Plan is to fulfill the obligations of the Company made under the terms of the written employment agreement between certain executive officers of the Company and the Company to reimburse the executive, on an after-tax basis, for any excise taxes payable pursuant to Internal Revenue Code §4999 with respect to any payments under those employment agreements.

2. Definitions. The following terms shall have the following meanings for purposes of this Plan.

a. A “Payment” shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) under any plan, agreement, policy or arrangement between the Company and the Executive to or for the benefit of the Executive.

b. “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

c. “Executive” shall mean any executive or management employee of the Company who has a written employment agreement with the Company or a subsidiary, the terms of which require the Company to pay or reimburse the Executive for any excise tax under Section 4999 of the Code with respect to any parachute payments as defined under Section 280G of the Code.

3. Payment of Tax Gross Up. Except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the “Gross-Up Payment”) in an amount such that, after payment by the Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, but excluding any income taxes and penalties imposed pursuant to Section 409A of the Code, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Company’s obligation to make Gross-Up Payments under this Plan shall not be conditioned upon the Executive’s termination of employment.

4. Determination of Tax Gross Up. Subject to the provisions of Section 5, all determinations required to be made under this Plan, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized certified public accounting firm as may be designated by the Board of Directors of the Company (the

"Accounting Firm"). The Accounting Firm shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Board of the Company may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made (the "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Company exhausts its remedies pursuant to Section 4 and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

5. Notice of the Gross Up; Rights of Company. The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that the Company desires to contest such claim, the Executive shall:

a. give the Company any information reasonably requested by the Company relating to such claim,

b. take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

c. cooperate with the Company in good faith in order effectively to contest such claim; and

d. permit the Company to participate in any proceedings relating to such claim;

provided, *however*, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 5, the Company shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; *provided*, *however*, that, if the Company pays such claim and directs the Executive to sue for a refund, the Company shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided*, *further*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

6. Refunds of Tax Gross-Up Payments. If, after the receipt by the Executive of a Gross-Up Payment or payment by the Company of an amount on the Executive's behalf pursuant to Section 5, the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 5, if applicable) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Company of an amount on the Executive's behalf pursuant to Section 5, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7. Payment. Any Gross-Up Payment, as determined pursuant to this Plan, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination; *provided* that, the Gross-Up Payment shall in all events be paid no later than the end of the Executive's taxable year next following the Executive's taxable year in which the Excise Tax (and any income or other related taxes or interest or penalties thereon) on a Payment are remitted to the Internal Revenue Service or any other applicable taxing authority or, in the case of amounts relating to a claim described in Section 5 that does not result in the remittance of any federal, state, local and foreign income, excise, social security and other taxes, the calendar year in which the claim is finally settled or otherwise resolved. Notwithstanding any other provision of this Plan, the Company may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and the Executive hereby consents to such withholding.

8. Amendment; Termination. This Plan may be amended from time to time by written action approved by the Board of Directors of the Company; provided, however, that no amendment that adversely affects any Executive whose employment agreement provides for a Tax Gross-Up Payment governed by this Plan shall be effective unless each such Executive consents in writing to such amendment. This Plan shall terminate immediately and without further action of the Company at such time as all employment agreements between the Company and any Executive that provides for a Tax Gross-Up Payment governed by this Plan terminate or expire in accordance with their respective terms without further liability for such Tax Gross-Up Payment.