
**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): March 8, 2012

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

0-20797
(Commission
File Number)

74-1733016
(IRS Employer
Identification No.)

555 IH-35 South, Suite 500
New Braunfels, Texas
(Address of principal executive offices)

78130
(Zip Code)

Registrant's telephone number, including area code: (830) 626-5200

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 March 8, 2012, the Board of Directors (the "Board") of Rush Enterprises, Inc. (the "Company"), upon the recommendation of the Compensation Committee of the Company (the "Compensation Committee"), approved the following compensation payments to the Company's named executive officers:

Cash Bonus Payments

After a review of competitive market data and the Company's operating results for the 2011 fiscal year, the Compensation Committee approved the following cash bonus payments:

| <u>Name / Title</u> | <u>Cash Bonus</u> |
|---|-------------------|
| W. M. "Rusty" Rush President, Chief Executive Officer and Director | \$1,000,000 |
| W. Marvin Rush Chairman and Director | \$ 430,000 |
| Martin A. Naegelin, Jr. Executive Vice President | \$ 249,000 |
| David C. Orf Senior Vice President – Marketing, Fleets and Specialized Equipment | \$ 216,000 |
| Steven L. Keller Senior Vice President – Chief Financial Officer and Treasurer | \$ 192,000 |

The cash bonuses will be paid on March 15, 2012.

Stock Option Grants

The Compensation Committee approved the following stock options exercisable for shares of the Company's Class A common stock (the "Stock Options"):

| <u>Name / Title</u> | <u>Stock Options (#)</u> |
|---|--------------------------|
| W. M. "Rusty" Rush President, Chief Executive Officer and Director | 75,000 |
| W. Marvin Rush Chairman and Director | — |
| Martin A. Naegelin, Jr. Executive Vice President | 30,000 |
| David C. Orf Senior Vice President – Marketing, Fleets and Specialized Equipment | 21,450 |
| Steven L. Keller Senior Vice President – Chief Financial Officer and Treasurer | 20,000 |

The Stock Options will be granted under the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan (the “Plan”) on March 15, 2012 (the “Grant Date”). The Stock Options will have an exercise price equal to the closing sale price of the Company’s Class A common stock on the Grant Date and will vest in three equal annual installments beginning on the third anniversary of the Grant Date. Additional terms and conditions applicable to the Stock Options are set forth in the Form of Rush Enterprises, Inc. 2007 Long-Term Incentive Plan Stock Option Agreement filed as Exhibit 4.4 to the Company’s Form S-8 filed with the Securities Exchange Commission on July 24, 2007.

Restricted Stock Unit Awards

The Compensation Committee approved the following restricted stock unit awards (the “RSU Awards”):

| <u>Name / Title</u> | <u>RSU Awards (#)</u> |
|---|-----------------------|
| W. M. “Rusty” Rush President, Chief Executive Officer and Director | 15,000 |
| W. Marvin Rush Chairman and Director | 33,000 |
| Martin A. Naegelin, Jr. Executive Vice President | 6,000 |
| David C. Orf Senior Vice President – Marketing, Fleets and Specialized Equipment | 4,290 |
| Steven L. Keller Senior Vice President – Chief Financial Officer and Treasurer | 4,000 |

The RSU Awards will be granted under the Plan on the Grant Date. The RSU Awards entitle the grantee to receive shares of the Company’s Class A common stock upon satisfaction of the vesting conditions. The RSU Awards will vest in three equal annual installments beginning on the first anniversary of the Grant Date. Additional terms and conditions applicable to the RSU Awards are set forth in the Form of Rush Enterprises, Inc. 2007 Long-Term Incentive Plan Restricted Stock Unit Agreement, filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference into this Item 5.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Form of Rush Enterprises, Inc. 2007 Long-Term Incentive Plan Restricted Stock Unit Agreement.

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.

RUSH ENTERPRISES, INC.

By: /s/ Derrek Weaver

Derrek Weaver

Senior Vice President, General Counsel and
Corporate Secretary

Dated: March 14, 2012

**RUSH ENTERPRISES, INC.
2007 LONG-TERM INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD AGREEMENT

[]
Employee

Date of Award: []

Number of Restricted Stock Units: []

Expiration Date: 10 years from the Date of Award

General Vesting Schedule/Restricted Period: 3 years, vesting 1/3 on the first, second and third anniversary date of the Date of Award.

1. Grant of RSU Award. Rush Enterprises, Inc. (the “Company”), pursuant to the Rush Enterprises, Inc. 2007 Long-Term Incentive Plan (the “Plan”), hereby awards to you, the above-named Employee, effective as of the Date of Award set forth above (the “Date of Award”), that number of restricted stock units set forth above (the “RSUs”), on the terms and conditions set forth in this Agreement. All of the RSUs will be subject to the prohibition on the transfer of the RSUs and the obligations to forfeit the RSUs to the Company as set forth in Section 3 of this Agreement (“Forfeiture Restrictions”). During the period that the RSUs are subject to Forfeiture Restrictions, the RSUs will be evidenced by entries in a bookkeeping ledger account that reflect the number of RSUs credited under the Plan for your benefit.

2. Effect of the Plan. The RSUs awarded to Employee are subject to all of the terms and conditions of the Plan, which terms and conditions are incorporated herein for all purposes, and of this Agreement together with all rules and determinations from time to time issued by the Committee and by the Board pursuant to the Plan. The Company hereby reserves the right to amend, modify, restate, supplement or terminate the Plan without the consent of Employee, so long as such amendment, modification, restatement or supplement does not materially reduce the rights and benefits available to Employee hereunder, and this Award will be subject, without further action by the Company or Employee, to such amendment, modification, restatement or supplement unless provided otherwise therein. The Company further reserves the right to amend, modify, restate, supplement or terminate the Plan and this Agreement without the consent of Employee in order to comply with any applicable law, regulation, or Company policy, including any law, regulation, or policy that could require forfeiture of this Award, repayment of any amounts paid pursuant to this Award, or cancellation of any stock issued pursuant to this Award. Capitalized terms used but not defined in this Agreement have the meanings ascribed to such terms in the Plan.

3. Restrictions. Employee hereby accepts the Award of the RSUs and agrees with respect thereto as follows:

(a) *No Transfer*. Unless otherwise determined by the Committee and provided in this Agreement or the Plan, the RSUs may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred except by will or the laws of descent and distribution. The Forfeiture Restrictions shall be binding upon and enforceable against any permitted transferee of the Restricted Shares.

(b) *Mandatory Mediation and Arbitration Procedure.* By execution of this Agreement and acceptance of this Award, which is a voluntary benefit provided to the Employee by the Company, the Employee waives the Employee's right to a jury trial in state or federal court and agrees that disputes arising under this Agreement must first be submitted for non-binding mediation before a neutral third party. If a dispute remains unresolved at the conclusion of the mediation process, either party may submit the dispute for resolution by final binding arbitration. The arbitrator shall have the authority to allow for appropriate discovery and exchange of information prior to a hearing, including (but not limited to) production of documents, information requests, depositions, and subpoenas. By execution of this Agreement, however, the Employee does not waive the Employee's right to any normally available remedies the Employee may have in connection with any claim the Employee may bring against the Company, as an arbitrator can award any normal remedies the Employee could get in a court proceeding. By execution of this Agreement, the Employee represents that to the extent the Employee considered necessary, the Employee has sought, at the Employee's own expense, counsel regarding the terms of this Agreement and the waiver contemplated in this paragraph (b) of Section 3. If this arbitration provision is found inapplicable, then either party may file suit and each party agrees that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought in the United States District Court for the Western District of Texas (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas State court in Bexar County, Texas) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection a party may have to the laying of venue for any such suit, action or proceeding brought in such court. **THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.**

(c) *Forfeiture of RSUs.* If Employee terminates service with the Company and its Subsidiaries prior to the date that the Forfeiture Restrictions lapse (the "Restriction Lapse Date") for any reason other than Employee's death or Disability, or if Employee (or Employee's estate) initiates a legal proceeding against the Company other than pursuant to the terms of paragraph (b) of this Section 3, then Employee (or Employee's estate, as applicable) shall, for no consideration, forfeit any right to any outstanding RSUs. Notwithstanding the foregoing, the Committee or its designee may, in the Committee's or the designee's sole and absolute discretion, as applicable, provide for the acceleration of the vesting of the RSUs, eliminate or make less restrictive any restrictions contained in this Agreement, waive any restriction or other provision of the Plan or this Agreement or otherwise amend or modify this Agreement in any manner that is either (i) not adverse to Employee, or (ii) consented to by Employee.

(d) *Lapse of Forfeiture Restrictions.* If Employee provides continuous, eligible service to the Company and its Subsidiaries as determined by the Committee or its designee, in the Committee's or the designee's sole and absolute discretion, as applicable, the Forfeiture Restrictions will lapse with respect to one-third (33.33%) of the RSUs on the first anniversary of the Date of Award; an additional one-third (33.33%) on the second anniversary of the Date of Award; and the final one-third (33.34%) on the third anniversary of the Date of Award.

(e) *Death, Disability or Retirement.* If Employee shall die or be subject to Disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code")) while employed by the Company and its Subsidiaries or choose to Retire (defined as termination by the Employee of the Employee's employment relationship with the Company or any of its subsidiaries after 10 years of employment with the Company and attaining the age of 60), the Forfeiture Restrictions of the Restricted Shares granted hereunder (unless previously terminated pursuant to paragraph (c) of this Section 3) will lapse pursuant to the following: (i) in the case of

death or Disability while employed by the Company and its Subsidiaries; or (ii) in the case Employee chooses to Retire, for so long as Employee does not become employed by a “competitor” of the Company, the Forfeiture Restrictions shall continue to lapse pursuant to paragraph (d) of this Section 3. A determination as to whether the Employee has become employed by a “competitor,” and the definition of “competitor,” shall be made by the Committee, in its sole discretion. In the event Employee becomes employed by a “competitor,” then Employee’s continuous, eligible service to the Company will be deemed to terminate on the date Employee is employed by a “competitor” and the provisions of Paragraph (d) of this Section 3 shall apply to determine whether any Forfeiture Restrictions have lapsed.

(f) *Change in Control*. If a Change in Control occurs during the term of this Agreement, the Forfeiture Restrictions will lapse with respect to 100% of the RSUs.

4. Settlement of RSUs. The Company will issue you one share of Common Stock, less applicable withholding, in exchange for each RSU that is awarded to you under this Agreement. Settlement of each RSU will occur on each Restriction Lapse Date with respect to those RSUs no longer subject to a Forfeiture Restriction unless you elect to defer settlement under the Rush Enterprises, Inc. Deferred Compensation Plan. Following settlement of each RSU, you will have no further rights with respect to such RSU.

5. Tax Withholding. To the extent that the receipt of the RSUs or the Agreement, the vesting of the RSUs or a distribution under the Agreement results in income to you for federal, state or local income, employment or other tax purposes with respect to which the Company has a withholding obligation, you shall deliver to the Company at the time of such receipt, vesting or exercise, as the case may be, such amount of money as the Company may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company is authorized to withhold from any payment due under the Agreement or from any cash or stock remuneration then or thereafter payable to you any tax required to be withheld by reason of such taxable income, sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock of the Company for the trading day immediately preceding the date that the withholding obligation arises, as reported in the NASDAQ Composite Transactions.

Employee acknowledges that the tax consequences associated with the Award are complex and that the Company has urged Employee to review with Employee’s own tax advisors the federal, state, and local tax consequences of this Award. Employee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Employee understands that Employee (and not the Company) shall be responsible for Employee’s own tax liability that may arise as a result of this Agreement.

6. Sale of Securities. Any shares of the Company’s Common Stock awarded hereunder may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws or any provisions of the Company’s Insider Trading Policy. You agree that (a) the Company may refuse to cause the transfer of such shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of such shares.

7. Community Interest of Spouse. The community interest, if any, of any spouse of Employee in any of the RSUs shall be subject to all of the terms, conditions and restrictions of this Agreement and the Plan, and shall be forfeited and surrendered to the Company upon the occurrence of any of the events requiring Employee’s interest in such Restricted Shares to be so forfeited and surrendered pursuant to this Agreement.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an authorized officer and Employee has executed this Agreement, all as of the date first above written.

RUSH ENTERPRISES, INC.

W.M. "Rusty" Rush,
Chief Executive Officer and President

EMPLOYEE ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT OR THE PLAN CONFERS UPON EMPLOYEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF EMPLOYEE'S SERVICE TO THE COMPANY. Employee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the RSU Award subject to all of the terms and provisions hereof and thereof. Employee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan.

DATED: _____

SIGNED: _____
EMPLOYEE