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): June 6, 2006



(Exact name of Registrant as specified in its charter)

Tennessee 0-2585 62-0183370 (State or other jurisdiction of incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

345-B Nowlin Lane, Chattanooga, Tennessee (Address of principal executive offices)

37421 (zip code)

Registrant's telephone number, including area code (423) 510-7010

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):

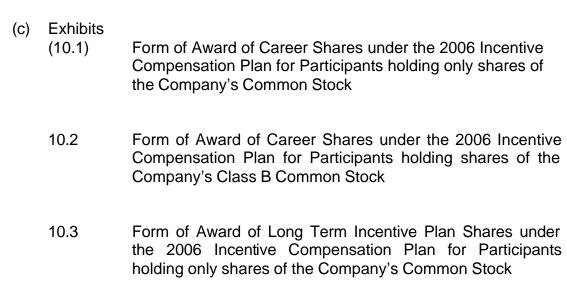
[] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 6, 2006, the Company's Compensation Committee approved the Form of Restricted Stock Award to be used for awards of Restricted Shares granted in connection with the Company's 2006 Incentive Compensation Plan (the "2006 Plan"). Such awards include both "Career Shares" and "Long Term Incentive Plan Shares" to be issued under the 2006 Plan, and, in the case of the holders of the Company's Class B Common Stock, authorize participants to elect to receive a portion of their Award in shares of the Company's Class B Common Stock in an amount no greater than the portion of Class B Common Stock then held by such participant. All executive officers of the Company are participants in the 2006 Plan.

Item 9.01 Financial Statements and Exhibits.

10.4



Form of Award of Long Term Incentive Plan Shares under the 2006 Incentive Compensation Plan for Participants holding shares of the Company's Class B Common Stock

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: June 6, 2006 THE DIXIE GROUP, INC.

By: /s/ Gary A. Harmon
Gary A. Harmon

Chief Financial Officer