STAGE STORES INC
Form 11-K
March 31, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 11-K

(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-14035

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Stage Stores, Inc. Nonqualified Deferred Compensation Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Stage Stores, Inc.
10201 Main Street
Houston, Texas 77025

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stage Stores, Inc. Nonqualified Deferred Compensation Plan
Houston, Texas

We have audited the accompanying statements of financial condition of the Stage Stores, Inc. Nonqualified Deferred Compensation Plan (the "Plan") as of December 31, 2014 and 2013, and the related statements of income and changes in plan equity for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial condition of the Plan at December 31, 2014 and 2013, and the income and changes in plan equity for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Houston, Texas
March 31, 2015

STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN
STATEMENTS OF FINANCIAL CONDITION

	December 31, 2014	2013
Assets		
Investments, at fair value:		
Mutual funds	$13,269,347	$15,374,276
Stage Stores, Inc. common stock, as determined by quoted market prices - 55,919 and 61,730 shares with a cost basis of $943,310 and $958,112, respectively	1,157,519	1,371,650
Total assets	$14,426,866	$16,745,926

The accompanying notes are an integral part of these financial statements.

STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN
STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

	For the Year Ended December 31,		
	2014	2013	2012
Additions			
Contributions:			
Participant	$981,187	$2,368,487	$1,141,544
Employer	816,691	1,488,348	834,325
Net investment income:			
Dividend income on investments in:			
Mutual funds	977,358	931,135	211,237
Stage Stores, Inc. common stock	31,397	27,537	24,433
Net appreciation (depreciation) in fair value of investments	(334,047)	1,543,193	1,880,899
Total additions	2,472,586	6,358,700	4,092,438
Deductions			
Distributions to participants	4,791,646	2,498,565	3,265,514
Net increase (decrease) in plan equity	(2,319,060)	3,860,135	826,924
Plan equity at beginning of year	16,745,926	12,885,791	12,058,867
Plan equity at end of year	$14,426,866	$16,745,926	$12,885,791

The accompanying notes are an integral part of these financial statements.

Stage Stores, Inc. Nonqualified Deferred Compensation Plan
Notes to Financial Statements

1. Plan Description

The following brief description of the Stage Stores, Inc. Nonqualified Deferred Compensation Plan ("Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined contribution plan and was established on January 1, 2002 by Stage Stores, Inc. ("Company") for the purpose of attracting and retaining highly qualified individuals for the successful conduct of the Company's business by helping to provide for the retirement of the Company's key employees selected to participate in the Plan.

Administration of the Plan

Since April 1, 2013, Fidelity Management Trust Company ("Plan Administrator") has administered all mutual funds and the Company Stock Investment Option, executed all investment transactions, served as the Plan's trustee and held the Plan assets. From July 1, 2010 until April 1, 2013, Wilmington Trust Retirement and Institutional Services Company administered all mutual funds, executed all investment transactions and held the Plan assets; UBS Financial Services, Inc. administered the Company Stock Investment Option; and Pen Cal Administrators, Inc. served as the Plan's recordkeeper.

Eligibility and Vesting

The Plan covers key employees ("Participants"), the selection of which remains at the sole discretion of the Plan Administrative Committee ("Committee") of the Company, as defined in the Plan document. Participation is voluntary and Participants can elect to contribute up to fifty percent (50%) of the Participant's compensation and up to one hundred percent (100%) of the Participant's bonus. Employer matching contributions are determined by the Committee. The Participant and employer matching contributions are vested 100% in the Plan at all times.

Participant Accounts

The Company maintains a Participant Account ("Account") for each Participant deferring compensation to the Plan. The Account is adjusted for the Participant deferral/contribution, employer match, investment gains or losses and payments or distributions attributable to that Account.

Effective June 5, 2008, the Company amended the Plan to include a stock investment option wherein Participants can elect to invest a portion of their deferrals in the Company's common stock ("Company Stock Investment Option"). Effective April 1, 2013, the Company amended and restated the Plan and the terms and conditions of the Company Stock Investment Option to provide that Participant contributions and employer matching contributions designated toward the purchase of Company stock are applied to the purchase of Company stock in the open market in "real time" as those contributions are received rather than on the last trading day of the calendar month. These shares are held in a grantor trust. Once Company stock is credited to the Participant's Account, it may not be transferred or liquidated by the Participant. Company stock will remain in the Account until such date as the Participant is no longer an employee of the Company and for a period of six months thereafter. The stock is then transferred to the Participant's personal brokerage account, as designated at that time by the Participant. Investments in Company stock cannot be settled in cash. The number of shares of common stock credited to a Participant's Account shall be adjusted, as appropriate, to reflect any stock split, any dividends or deemed dividends, any recapitalization of the Company, or any reorganization of the Company. Shares of common stock will be issued in the name of the Plan. During the period the common stock is held by the Plan, Participants will not have the right to vote those shares of common stock and Participants will not have any other incidents of ownership or rights as a shareholder with respect to those shares of common stock.

Payment of Benefits

On termination of service, a participant may generally elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a 2 to 5 year period.

Plan Termination

The Company retains the unilateral power to amend or terminate the Plan at any time. No such amendment or termination shall adversely affect any Participant or their beneficiaries with respect to their right to receive the value of their vested Accounts, determined as of the later of the date that the Plan amendment or termination is adopted or by its terms to be effective, without the consent of affected Participants or their beneficiaries.

2. Significant Accounting Policies

Basis of Accounting. The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition. The Plan's investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investments include publicly traded mutual funds and shares of Company stock both of which are valued based on quoted market prices on the last business day of the Plan year. The change in market value of the investments is reflected in the Statements of Income and Changes in Plan Equity as appreciation /depreciation in the fair market value of investments. Refer to Note 4 for further details related to the Plan's fair value valuation methods. Realized gains and losses on investments are calculated using average cost. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Distributions. Distributions to participants are recorded when paid.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Committee to make estimates and assumptions that affect the reported amounts of assets and changes therein, and disclosure of contingent assets at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties. Investment securities, in general, are exposed to various risks, such as interest rate, liquidity risk, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such a change could materially affect the amount reported in the Statements of Financial Condition.

3. Investments

The fair values of individual investments that represent 5% or greater of the Plan's net assets are as follows:

	December 31,		
	2014	2013	
Fidelity Adv New Insights Z [a]	$1,967,501	$2,555,750	
Stage Stores, Inc. common stock [a]	1,157,519	1,371,650	
Columbia Balanced R5	1,118,917	1,304,671	
Blackrock Intl Opportunities Inst	1,117,317	1,609,723	
Blackrock Equity Dividend I	934,881	782,997	[b]
American Century Equity Income	856,538	895,833	
Fidelity Contrafund [a]	821,392	1,026,122	
Lord Abbett Fundamental Equity I	813,601	1,014,603	
Oppenheimer Developing Markets I	644,292 [b]	955,604	
Total	9,431,958	11,516,953	
Other, individually representing less than 5% of total	4,994,908	5,228,973	
Investments, at fair value	$14,426,866	$16,745,926	

[a] Indicates party in interest to the Plan.
[b] Investment does not represent 5% or more of the net assets available for benefits as of the date indicated and is shown for comparative purposes only.

During the years ended December 31, 2014, 2013 and 2012, the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) in value as follows: