

CHARLOTTE RUSSE HOLDING INC  
Form 8-K  
March 07, 2005

---

**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 3, 2005**

**Charlotte Russe Holding, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
  
of Incorporation)

**0-27677**  
(Commission  
  
File Number)

**33-0724325**  
(IRS Employer  
  
Identification No.)

Edgar Filing: CHARLOTTE RUSSE HOLDING INC - Form 8-K

**4645 Morena Boulevard, San Diego,**

**California**  
(Address of principal executive offices)

**92117**  
(Zip Code)

Registrant's telephone number, including area code

**(858) 587-1500**

**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))
-

**Item 4.02(a) Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review**

On March 3, 2005, the Company issued a press release reporting that is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Following the release of a letter from the Chief Accountant of the SEC, the Company reviewed its accounting practices for leases. Subsequent to this review, the Company, in consultation with its independent registered public accounting firm, Ernst & Young LLP, and following discussions with the Audit Committee of the Board of Directors on March 1, 2005, has concluded to restate the Company's prior period financial statements to correct errors resulting from its accounting practices for leases.

Specifically, the Company previously reflected the unamortized portion of construction allowances as a reduction of capital expenditures rather than recording those transactions as a deferred rent credit. In addition, the Company previously recognized straight-line rent expense for leases beginning on the rent commencement date (i.e., store opening date), which had the effect of excluding the build-out period from the calculation of the period over which rent is expensed.

The Company believes that these adjustments are consistent with similar adjustments currently being made by many other retailers and other publicly traded companies related to accounting for leases. These adjustments are not being made as a result of a determination of any fraudulent activity or misconduct of the Company, its Board of Directors, its Audit Committee, or its management. The Audit Committee of the Company reviewed the accounting treatment and disclosures referred to in this Item 4.02(a) and discussed such treatment and disclosures with the Company's independent registered public accounting firm.

As a result of the Company's determination to restate its consolidated financial statements as discussed above, the unaudited financial statements included in the Company's Form 10-Q for the first fiscal quarter of fiscal 2005 and the Company's audited financial statements for the three fiscal years ended September 25, 2004 included in the Company's Annual Report on Form 10-K for fiscal 2004 should no longer be relied upon.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
99.1	Press Release dated March 3, 2005

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CHARLOTTE RUSSE HOLDING, INC.**

Dated: March 7, 2005

By: \_\_\_\_\_ /s/ DANIEL T. CARTER

Daniel T. Carter  
*Executive Vice President and  
Chief Financial Officer*