

STAGE STORES INC
Form DEF 14A
April 23, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

Filed by the Registrant **T**
Filed by a Party other than the Registrant o
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- T** Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Stage Stores, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

T No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

- 1. Title of each class of securities to which transaction applies: _____
- 2. Aggregate number of securities to which transaction applies: _____
- 3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): _____
- 4. Proposed maximum aggregate value of transaction: _____
- 5. Total Fee Paid: _____

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1. Amount Previously Paid: _____
- 2. Form, Schedule or Registration Statement No.: _____

- 3. Filing Party: _____
- 4. Date Filed: _____

STAGE STORES INC.

BEALLS PALAIS ROYAL PEBBLES STAGE

**Notice of 2007
Annual Meeting
and
Proxy Statement**

STAGE STORES INC.

BEALLS PALAIS ROYAL PEEBLES STAGE

**10201 Main Street
Houston, Texas 77025**

May 1 2007

Dear Shareholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2007 Annual Meeting of Shareholders of Stage Stores, Inc. on Thursday, June 7, 2007, at 1:00 p.m. local time, in Houston, Texas. Information about the Annual Meeting is presented in the following pages.

The Annual Meeting will begin with a discussion and vote on the matters set forth in the accompanying Notice of 2007 Annual Meeting of Shareholders and Proxy Statement, followed by a discussion on any other business matters that are properly brought before the meeting.

Your vote is very important. We encourage you to read the Proxy Statement and vote your shares as soon as possible. Whether or not you plan to attend, you can be sure your shares are represented at the Annual Meeting by promptly completing, signing, dating and returning your Proxy Card in the enclosed envelope or by submitting your vote and proxy by telephone or by the Internet.

If you will need special assistance at the Annual Meeting because of a disability, please contact Bob Aronson, Vice President, Investor Relations, at (800) 579-2302.

Thank you for your continued support of Stage Stores, Inc. We look forward to seeing you on June 7th.

Sincerely,

James R. Scarborough
Chairman of the Board and Chief Executive Officer

TABLE OF CONTENTS

<u>Notice of 2007 Annual Meeting of Shareholders</u>	iii
<u>Proxy Statement</u>	1
<u>General</u>	1
<u>Voting</u>	1
<u>Matters to be Acted Upon</u>	2
<u>nItem 1 - Election of Directors</u>	2
<u>Information Relating to Directors and Director Nominees</u>	2
<u>Security Ownership of Certain Beneficial Owners and Management</u>	3
<u>Information Relating to the Board of Directors and Committees</u>	5
<u>In General</u>	5
<u>Corporate Governance</u>	5
<u>Attendance at Board, Committee and Annual Meetings</u>	7
<u>Standing Committees</u>	7
<u>Corporate Governance and Nominating Committee</u>	8
<u>Audit Committee</u>	9
<u>Compensation Committee</u>	10
<u>Shareholder Communications with the Board</u>	12
<u>Transactions with Related Persons</u>	12
<u>Compensation of Directors and Executive Officers</u>	13
<u>Compensation Discussion and Analysis</u>	13
<u>Compensation Committee Report</u>	27
<u>Summary Compensation Table</u>	27
<u>All Other Compensation Table</u>	28
<u>Grants of Plan-Based Awards Table</u>	28
<u>Outstanding Equity Awards at Fiscal Year-End Table</u>	30
<u>Option Exercises and Stock Vested Table</u>	32
<u>Pension Benefits</u>	32
<u>Nonqualified Deferred Compensation Table</u>	32
<u>Potential Payments on Termination or Change In Control</u>	33
<u>Director Compensation Table</u>	41
<u>nItem 2– Ratification of the Selection of Deloitte & Touche LLP as Independent Registered Public Accounting Firm For 2007</u>	43
<u>Principal Accountant Fees and Services</u>	43
<u>Pre-Approval Policies</u>	44
<u>Audit Committee Report</u>	44
<u>Proposals to Amend Articles of Incorporation</u>	45
<u>nItem 3 - Amendment of Articles of Incorporation to Increase Authorized Common Stock</u>	47
<u>nItem 4 - Amendment of Articles of Incorporation to Specify Authorized Preferred Stock</u>	49
<u>nItem 5 - Amendment of Articles of Incorporation to Eliminate Bankruptcy Related Language</u>	50
<u>Securities Authorized for Issuance under Equity Compensation Plans</u>	51
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	52
<u>Additional Information</u>	52
	To be voted on at the meeting
<u>Appendix A - Amended and Restated Articles of Incorporation</u>	

**EVERY SHAREHOLDER'S VOTE IS IMPORTANT. PLEASE
COMPLETE, SIGN, DATE AND RETURN YOUR PROXY
CARD, OR SUBMIT YOUR VOTE AND PROXY BY
TELEPHONE OR BY INTERNET, AS SOON AS POSSIBLE.**

STAGE STORES INC.

BEALLS PALAIS ROYAL PEBBLES STAGE

NOTICE OF 2007 ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders:

The 2007 Annual Meeting of Shareholders of Stage Stores, Inc. (the “Company”) will be held at the offices of the Company, 10201 Main Street, Houston, Texas 77025 on Thursday, June 7, 2007, at 1:00 p.m. local time. The shareholders will vote on the following matters:

1. Election of eight directors for a term of one year;
2. Ratification of the selection of Deloitte & Touche LLP as independent registered public accounting firm for 2007;
3. Amendment of Articles of Incorporation to increase authorized common stock;
4. Amendment of Articles of Incorporation to specify authorized preferred stock;
5. Amendment of Articles of Incorporation to eliminate bankruptcy related language; and
6. Action upon such other matters as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on April 16, 2007 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors

Michael E. McCreery
Executive Vice President,
Chief Financial Officer, and Secretary
Stage Stores, Inc.

May 1 2007

In accordance with the Company’s security procedures, all persons attending the Annual Meeting must present an Admission Card and picture identification. If you are a shareholder of record and plan to attend the meeting in person, please bring the Admission Card you received in this proxy mailing with you to the meeting. For security purposes, briefcases, bags and purses will be subject to search at the door.

PROXY STATEMENT

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by Stage Stores, Inc. (the “Company”) on behalf of the Board of Directors (the “Board”) for the 2007 Annual Meeting of Shareholders (the “Annual Meeting”) which will be held at the principal executive offices of the Company, 10201 Main Street, Houston, Texas 77025, on Thursday, June 7, 2007, at 1:00 p.m. local time. This Proxy Statement and Proxy Card are first being sent to the shareholders on or about May 1 2007. The proxy will be voted at the Annual Meeting if the signer of the proxy or shareholder submitting his or her vote and proxy by telephone or by the Internet was a shareholder of record on April 16, 2007 (the “Record Date”).

VOTING

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the shareholders. On the Record Date, there were 43,408,403 shares of common stock, par value \$0.01, outstanding and entitled to vote at the Annual Meeting. A list of the shareholders entitled to vote at the Annual Meeting will be available for inspection at the Annual Meeting for purposes relating to the Annual Meeting.

You can ensure that your shares are voted at the Annual Meeting by submitting your instructions by completing, signing, dating and returning the enclosed Proxy Card in the envelope provided or by submitting your vote and proxy by telephone or by the Internet. Submitting your instructions by Proxy Card, by telephone, or by the Internet will not affect your right to attend the Annual Meeting and vote. A shareholder who gives a proxy may revoke it at any time before it is exercised by voting in person at the Annual Meeting, by delivering a subsequent proxy, or by notifying the Inspectors of Election in writing of such revocation.

The representation in person or by proxy of a majority of the outstanding shares of common stock entitled to a vote at the Annual Meeting is necessary to provide a quorum for the transaction of business at the Annual Meeting. Shares can only be voted if the shareholder is present in person or is represented by a properly signed Proxy Card or by a vote and proxy submitted by telephone or by the Internet. Each shareholder’s vote is very important. Whether or not you plan to attend the Annual Meeting in person, please sign and promptly return the enclosed Proxy Card or submit your vote and proxy by telephone or by the Internet. All signed and returned Proxy Cards and votes and proxies submitted by telephone or by the Internet will be counted towards establishing a quorum for the Annual Meeting, regardless of how the shares are voted.

A shareholder of record on the Record Date may vote in any of the following four ways:

- by toll-free number at 1-866-540-5760; or
- by the Internet at <http://www.proxyvoting.com/ssi>; or
- by completing and mailing the Proxy Card; or
- by written ballot at the Annual Meeting.

Edgar Filing: STAGE STORES INC - Form DEF 14A

If you vote by the Internet or by telephone, your vote must be received by 11:59 p.m. Eastern Time on Wednesday, June 6th, the day before the Annual Meeting. Your shares will be voted as you indicate. If you return your Proxy Card, but you do not indicate your voting preferences, the proxies will vote your shares FOR Items 1, 2, 3, 4 and 5 and in their discretion for Item 6 (such other matters as may properly come before the Annual Meeting or any adjournment thereof).

If your shares are held in a brokerage account in your broker's name (this is called street name), you should follow the voting directions provided by your broker or nominee. You may complete and mail a voting instruction card to your broker or nominee or, in most cases, submit voting instructions by mail, by telephone or by the Internet. Your shares should be voted by your broker or nominee as you have directed.

1

The Company will pass out written ballots to any shareholder entitled to vote at the Annual Meeting.

For additional information concerning the manner of proxy solicitation and voting, please see “Additional Information” on page 52 of this Proxy Statement.

MATTERS TO BE ACTED UPON

ITEM 1 - ELECTION OF DIRECTORS

INFORMATION RELATING TO DIRECTORS AND DIRECTOR NOMINEES

In General

At the Annual Meeting, eight Directors are to be elected to hold office until the 2008 Annual Meeting and until their successors have been elected and have qualified. Information concerning the eight nominees is set forth below. All nominees are currently Directors of the Company. The Board of Directors has determined that the following six Directors are Independent Directors, as independence is defined by the New York Stock Exchange: Alan J. Barocas, Michael L. Glazer, John T. Mentzer, Margaret T. Monaco, William J. Montgoris and Sharon B. Mosse. The Board’s Corporate Governance and Nominating Committee recommended all of these Directors for re-election. The Board knows of no reason why any nominee may be unable to serve as a Director.

Your Board of Directors recommends a vote FOR each nominee for Director set forth below.

The following information pertains to each nominee’s (i) age as of April 16, 2007, (ii) principal occupations for at least the past five years, and (iii) directorships in other public companies:

Name	Age	Positions Currently Held
James R. Scarborough	56	Chairman, Chief Executive Officer
Michael E. McCreery	59	Executive Vice President, Chief Financial Officer, Director
Alan J. Barocas	58	Director
Michael L. Glazer	59	Director, Chairman of Compensation Committee
John T. Mentzer	55	Director, Chairman of Corporate Governance and Nominating Committee
Margaret T. Monaco	59	Director
William J. Montgoris	60	Director, Lead Independ