

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

(Mark One)

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

TABLE OF CONTENTS

	Page No.
Report of Independent Registered Public Accounting Firm	3
Statements of Financial Condition - December 31, 2014 and 2013	4
Statements of Income and Changes in Plan Equity - Years Ended December 31, 2014, 2013 and 2012	5
Notes to Financial Statements	6
Schedules I, II and III have been omitted because the required information is shown in the financial statements or notes, or the information is not applicable to this Plan.	
SIGNATURE	15
Exhibit 23 - Consent of Independent Registered Public Accounting Firm	

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 Investments, at fair value	4,994,908	5,228,973
	\$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:

	For the Year Ended December 31,		
	2014	2013	2012
Realized gain on investments in mutual funds	\$39,500	\$1,307,495	\$325,377
Unrealized gain (loss) on investments in mutual funds			
Domestic equities	84,551	195,495	375,409
International equities	(356,589)	) 97,278	289,405
Bond	(42,344)	) (3,873)	) 21,039
Balanced	45,436	100,731	101,277
Target date	2,470	3,049	1,389
Stage Stores, Inc. common stock	(107,071)	) (156,982)	) 767,003
Net appreciation (depreciation) in fair value of investments	\$(334,047)) \$1,543,193	\$1,880,899

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The following tables set forth the detailed investment activities by individual fund for the periods presented:

	Investments at 1/1/14	Contributions	Net Investment Income				Distributions	Transfers	Investments at 12/31/14
			Dividend Income	Realized Gain (Loss) on Investment	Unrealized Gain (Loss) on Investment				
Mutual funds:									
American Century Equity Inc	\$895,833	\$19,441	\$83,514	\$214	\$23,386	\$(140,408)	\$(25,442)	\$856,538	
American Century Mid Cap Value Inv	456,234	32,131	31,302	14,992	20,580	(249,902)	—	305,337	
Blackrock Equity Dividend I	782,997	135,995	58,234	8,565	22,279	(136,014)	62,825	934,881	
Blackrock Intl Opportunity Inst	1,609,723	73,848	140,104	(1,798)	(289,417)	(404,145)	(10,998)	1,117,317	
Columbia Balanced R5	1,304,671	62,346	53,088	17,869	45,436	(240,350)	(124,143)	1,118,917	
Fidelity Adv Dividend Growth Z	230,466	15,262	89	7,222	(4,731)	—	(248,308)	—	
Fidelity Adv Gov Income Inst	34,628	11,578	315	658	441	—	(47,620)	—	
Fidelity Adv Materials Inst	108,750	21,860	6,772	5,669	(6,405)	(109,777)	25,000	51,869	
Fidelity Adv Mid Cap II z	630,468	73,821	52,251	(10,277)	(3,961)	(385,458)	(2,028)	354,816	
Fidelity Adv New Insights Z	2,555,750	78,715	144,758	(58,039)	98,268	(494,589)	(357,362)	1,967,501	
Fidelity Contrafund	1,026,122	166,646	59,440	67,645	(37,089)	(431,566)	(29,806)	821,392	
Fidelity Dividend Growth	—	35,932	34,652	4,117	(12,133)	(70,175)	309,622	302,015	
Fidelity Government Income	—	33,345	1,283	—	958	—	119,541	155,127	
Fidelity MM Trust Ret Govt	510,449	24,677	25	—	—	—	(535,151)	—	
Fidelity Spartan 500 Index	323,665	112,469	12,871	6,373	66,889	(73,682)	212,753	661,338	
	—	47,800	34	—	—	(63,296)	555,950	540,488	

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Fidelity US Government Reserves									
Franklin High Income Adv	292,496	71,702	18,125	277	(17,590)	(97,548)	(252)		267,210
Heartland Value Plus Inst	547,382	51,330	25,937	(10,925)	(16,024)	(290,213)	(35,745)		271,742
Lord Abbett Fundamental Equity I	1,014,603	48,157	139,461	(10,203)	(67,285)	(335,804)	24,672		813,601
MFS New Discovery R4	531,883	28,949	17,124	(16,866)	(27,558)	(288,183)	(2,031)		243,318
NB Real Estate Inst	236,467	45,378	15,121	11,863	28,335	(137,499)	49,602		249,267
Oppenheimer Developing Markets I	955,604	102,412	16,733	6,884	(48,055)	(285,260)	(104,026)		644,292
Pimco Real Return Inst	—	29,979	1,999	—	(2,613)	—	47,339		76,704
Pimco Total Return Inst	339,886	94,074	24,034	60	(5,266)	(30,168)	115,568		538,188
T. R. Price Retirement 2020	—	1,894	—	—	(15)	—	—		1,879
T. R. Price Retirement 2025	50,296	61,831	3,814	(246)	989	—	(7,549)		109,135
T. R. Price Retirement 2030	48,261	20,232	2,820	—	603	—	—		71,916
T. R. Price Retirement 2035	48,873	16,998	2,424	—	977	—	—		69,272
T. R. Price Retirement 2040	36,708	52,048	3,333	5	(153)	—	—		91,941
T. R. Price Retirement 2045	1,505	3,233	165	—	13	—	—		4,916
T. R. Price Retirement 2050	2,785	3,233	204	—	56	—	—		6,278
T. R. Price Retirement Inc	57,375	9,446	2,300	—	83	—	—		69,204
Templeton Global Bond Adv	302,794	70,617	23,529	(175)	(18,357)	(9,505)	(22,410)		346,493
Wasatch Intl Growth	437,602	22,478	1,503	(4,384)	(19,117)	(261,626)	29,999		206,455
	1,371,650	118,021	31,397	92,009	(199,080)	(256,478)	—		1,157,519

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Stage Stores,
Inc. common
stock

\$16,745,926	\$1,797,878	\$1,008,755	\$131,509	\$(465,556)	\$(4,791,646)	\$—	\$14,426,866
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9

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	Net Investment Income							Investments at 12/31/13
	Investments at 1/1/13	Contributions	Dividend Income	Realized Gain (Loss) on Investment	Unrealized Gain (Loss) on Investment	Distributions	Transfers	
Mutual funds:								
American Century Equity Income	\$ —	\$ 4,288	\$ 60,062	\$ (1,450)	\$ (52,989)	\$ (155,472)	\$ 1,041,394	\$ 895,833
American Century Equity Income A	1,066,209	15,091	17,614	92,965	89,157	(19,065)	(1,361,971)	—
American Century Mid Cap Value A	144,941	39,933	1,579	37,052	16,824	—	(240,329)	—
American Century Mid Cap Value Inv	—	3,982	28,318	—	(20,654)	—	444,588	456,234
Blackrock Equity Dividend A	494,550	276,466	10,886	83,227	42,200	(11,688)	(895,641)	—
Blackrock Equity Dividend I	—	17,693	4,309	703	16,846	(60,714)	804,160	782,997
Blackrock Intl Opportunities Port A	757,180	172,713	—	115,209	39,967	(7,262)	(1,077,807)	—
Blackrock Intl Opportunities Inst	—	13,255	6,519	110	52,761	(71,121)	1,608,199	1,609,723
Columbia Balanced A	1,103,352	200,396	7,184	138,280	78,903	—	(1,528,122)	—
Columbia Balanced R5	—	10,980	4,320	295	21,828	(141,249)	1,408,497	1,304,671
Dreyfus S&P 500 Index	4,682	52,312	—	9,257	619	—	(66,870)	—
Fidelity Adv Div Gr A	145,508	28,391	—	29,748	13,623	—	(217,270)	—
Fidelity Adv Dividend Growth Z	—	4,642	2,056	—	4,732	—	219,036	230,466
Fidelity Adv Freedom	—	4,846	142	1,319	—	—	(6,307)	—
Fidelity Adv Freedom 2025-A	11,645	69,221	1,890	1,821	687	—	(85,264)	—
Fidelity Adv Freedom 2030-A	17,489	23,243	859	2,348	1,025	—	(44,964)	—
Fidelity Adv Freedom 2035-A	17,539	23,243	1,218	2,519	1,178	—	(45,697)	—
Fidelity Adv Freedom 2040-A	6,965	22,991	750	1,876	524	—	(33,106)	—
Fidelity Adv Freedom 2045-A	—	1,094	—	43	—	—	(1,137)	—
Fidelity Adv Freedom 2050-A	—	2,188	—	85	—	—	(2,273)	—
Fidelity Adv Gov Income A	—	33,660	117	(99)	—	—	(33,678)	—
Fidelity Adv Gov Income Inst	—	1,295	94	—	(441)	—	33,680	34,628
Fidelity Adv Materials Inst	—	2,725	2,513	—	1,687	—	101,825	108,750

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Fidelity Adv Mid Cap II A	365,294	90,719	4,993	87,124	34,693	(7,192)	(575,631)	—
Fidelity Adv Mid Cap II z	—	7,763	66,178	48	(40,892)	(34,874)	632,245	630,468
Fidelity Adv New Insights A	1,880,988	14,236	—	396,398	165,412	(3,486)	(2,753,548)	—
Fidelity Adv New Insights Z	—	13,587	304,355	1,293	(223,222)	(200,824)	2,660,561	2,555,750
Fidelity Adv Small Cap A	220,064	80,448	—	69,339	27,777	(3,774)	(393,854)	—
Fidelity Adv Treasury Money Mkt CI T	1,043,234	488,724	115	—	—	(1,166,761)	(365,312)	—
Fidelity Advisor Income A	88	—	—	—	(1)	—	(87)	—
Fidelity Contrafund	559,962	273,868	70,530	17,850	149,626	(76,739)	31,025	1,026,122
Fidelity MM Trust Ret Govt	—	8,848	6	—	—	(57,538)	559,133	510,449
Fidelity Spartan 500 Index	—	10,534	1,634	29	6,693	—	304,775	323,665
Franklin High Income A	242,291	79,754	19,335	(1,949)	1,025	(9,119)	(331,337)	—
Franklin High Income Adv	—	4,648	1,100	805	914	(14,395)	299,424	292,496
Heartland Value Plus	436,709	166,874	—	97,476	41,375	—	(742,434)	—
Heartland Value Plus Inst	—	8,275	56,424	2,269	(29,105)	—	509,519	547,382
John Hancock Global Opp CL A	662,296	78,605	—	(34,409)	578	—	(707,070)	—
Lord Abbett AII Value A	507,395	225,221	—	122,749	64,227	—	(919,592)	—

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Lord Abbett Fundamental Equity I	—	10,286	147,205	(16,761) (86,572) (113,486) 1,073,981	14,603
MFS New Discovery R4	—	5,601	42,553	(613	) (13,462	) (94,172	) 591,976	31,883
NB Real Estate Inst	—	4,203	13,795	—	(13,100	) —	231,562	36,467
Oppenheimer Developing Markets A	1,091,914	310,759	—	78,725	590	(3,286	) (1,478,702	
Oppenheimer Developing Markets I	—	15,546	9,772	(573	) 4,737	—	926,122	55,604
Pimco Total Return A	521,753	143,310	10,400	(16,878	) (927	) (17,310	) (640,348	
Pimco Total Return Inst	—	9,415	3,852	(2,242	) (6,535	) (98,640	) 434,036	39,886
T. R. Price Retirement 2025	—	8,783	1,357	—	(273	) —	40,429	50,296
T. R. Price Retirement 2030	—	2,130	1,387	—	(220	) —	44,964	48,261
T. R. Price Retirement 2035	—	1,911	1,213	—	52	—	45,697	48,873
T. R. Price Retirement 2040	—	2,613	922	—	67	—	33,106	36,708
T. R. Price Retirement 2045	—	328	34	—	6	—	1,137	1,505
T. R. Price Retirement 2050	—	438	71	—	3	—	2,273	2,785
T. R. Price Retirement Inc	—	1,454	1,044	—	(556	) —	55,433	57,375
Templeton Global Bond A	276,980	71,029	9,833	(8,464	) 1,036	(3,195	) (347,219	
Templeton Global Bond Adv	—	4,258	2,136	(29	) 1,612	(38,244	) 333,063	02,794
Wasatch Intl Growth	—	4,721	10,461	—	(1,355	) —	423,774	37,602
Stages Stores, Inc common stock	1,302,466	287,588	27,537	43,473	(200,455) (88,959) —	1,371,650
	\$12,881,501	\$3,861,125	\$958,672	\$1,350,968	\$192,225	\$(2,498,565)	\$ —	\$16,745,926

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	Investments at 1/1/12	Contributions	Net Investment Income			Distributions	Transfers	Investments at 12/31/12
			Dividend Income	Realized Gain (Loss) on Investment	Unrealized Gain (Loss) on Investment			
Mutual funds:								
American Century Equity Income A	\$907,941	\$98,221	\$33,078	\$24,695	\$52,121	\$(78,366)	\$28,519	\$1,066,209
American Century Mid Cap Value A	2,496	17,652	5,203	923	10,564	—	108,103	144,941
Blackrock Equity Dividend A	3,475	89,158	7,534	5	16,530	—	377,848	494,550
Blackrock Intl Opportunities Port A	699,957	130,074	10,491	22,224	99,977	(168,194)	(37,349)	757,180
Columbia Balanced A	857,429	137,815	11,887	10,230	101,277	(76,218)	60,939	1,103,359
Dreyfus S&P 500 Index	157	4,330	144	—	51	—	—	4,682
Fidelity Adv Div Gr A	—	5,585	1,092	—	15,600	—	123,231	145,508
Fidelity Adv Freedom 2025-A	—	11,161	213	—	271	—	—	11,645
Fidelity Adv Freedom 2030-A	—	16,742	319	—	428	—	—	17,489
Fidelity Adv Freedom 2035-A	—	16,742	281	—	516	—	—	17,539
Fidelity Adv Freedom 2040-A	—	6,682	109	—	174	—	—	6,965
Fidelity Adv Mid Cap II A	5,930	36,800	17,420	—	4,230	—	300,914	365,294
Fidelity Adv New Insights A	1,994,202	258,701	7,585	84,682	211,842	(198,303)	(477,721)	1,880,988
Fidelity Adv Small Cap A	6,188	33,210	689	(66)	18,644	—	161,399	220,064
Fidelity Adv Treasury Money Mkt CI T	2,121,315	227,837	196	—	—	(1,517,643)	211,529	1,043,234
Fidelity Advisor Income A	213,034	4,285	860	574	(2)	—	(218,663)	88
	76,119	135,594	5,868	5,650	17,077	—	319,654	559,962

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Fidelity Contrafund Franklin High Inc A	557,536	67,527	22,980	16,178	12,080	(5,424) (428,586)	242,291
Heartland Value Plus	32,850	87,466	16,464	(7,407	) (3,641	) —	310,977	436,709
John Hancock Global Opp CL A	1,408,680	117,742	4,870	94,163	47,451	(270,536	) (740,074)	662,296
Lord Abbett AII Value A	483,361	104,404	8,911	14,974	32,391	(140,502	) 3,856	507,395
Oppenheimer Developing Markets A	743,439	176,617	4,257	33,075	141,977	(299,447	) 291,996	1,091,914
Pimco Total Return A	505,436	112,613	30,919	12,111	2,335	(5,083	) (136,578)	521,753
Templeton Global Bond A	440,754	56,361	19,867	13,366	6,626	—	(259,994)	276,980
Stage Stores, Inc. common stock	922,377	94,451	24,433	245,736	521,267	(505,798	) —	1,302,466
	\$11,982,676	\$2,047,770	\$235,670	\$571,113	\$1,309,786	\$(3,265,514)	\$—	\$12,881,501

4. Fair Value Measurements

In accordance with Accounting Standards Codification ("ASC") No. 820, Fair Value Measurements and Disclosures, the Plan defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, the Plan considers the principal or most advantageous market in which the Plan would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Common Stocks. Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds. Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The Plan applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Inputs that are generally unobservable and typically reflect the Plan Administrator's estimates of assumptions that market participants would use in pricing the asset or liability.

Using the market approach, the following table presents the Plan's assets measured at fair value on a recurring basis:

	December 31, 2014			
	Balance	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds:				
Domestic equities	\$7,833,615	\$7,833,615	\$—	\$—
International equities	1,968,064	1,968,064	—	—
Bond	1,993,414	1,993,414	—	—
Balanced	1,118,917	1,118,917	—	—
Target date	355,337	355,337	—	—
Stage Stores, Inc. common stock	1,157,519	1,157,519	—	—
	\$14,426,866	\$14,426,866	\$—	\$—

	December 31, 2013			
	Balance	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds:				
Domestic equities	\$9,340,620	\$9,340,620	\$—	\$—
International equities	3,002,929	3,002,929	—	—
Bond	1,537,628	1,537,628	—	—
Balanced	1,304,671	1,304,671	—	—
Target date	188,428	188,428	—	—
Stage Stores, Inc. common stock	1,371,650	1,371,650	—	—
	\$16,745,926	\$16,745,926	\$—	\$—

For the years ended December 31, 2014 and 2013, there were no transfers between levels.

5. Administrative Expenses

All administrative expenses of the Plan are paid by the Company.

6. Income Tax Status

The Plan, being operated as a nonqualified deferred compensation plan, is not subject to Federal income tax. A nonqualified deferred compensation arrangement effectively defers compensation for individual Participants.

7. Exempt Party-in-Interest Transactions

At December 31, 2014 and 2013, the plan held \$1,157,519 and \$1,371,650, respectively, of common stock of the Company, the sponsoring employer, with a cost basis of \$943,310 and \$958,112, respectively. During the year ended December 31, 2014, 2013 and 2012 the Plan recorded dividend income of \$31,397, \$27,537 and \$24,433, respectively, on investments held in the Company's stock. In addition, certain mutual fund investments of the Plan are managed by Fidelity Management Trust Company, the Plan Administrator.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

STAGE STORES, INC. NONQUALIFIED
DEFERRED COMPENSATION PLAN

Dated: March 31, 2015

/s/ Oded Shein
Oded Shein
Executive Vice President, Chief Financial Officer and
Treasurer
On behalf of the Plan Administrative Committee