

Edgar Filing: STAGE STORES INC - Form SC 13G

STAGE STORES INC  
Form SC 13G  
February 14, 2003

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549  
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SCHEDULE 13G  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO 13d-2(b) \*

Stage Stores, Inc.  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

85254C305  
(CUSIP Number)

December 31, 2002  
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule 13G is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

(Page 1 of 13 Pages)

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\*The remainder of this cover page shall be filled out for a reporting  
person's initial filing on this form with respect to the subject class of  
securities, and for any subsequent amendment containing information which would  
alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be  
deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act  
of 1934 ("Act") or otherwise subject to the liabilities of that section of the  
Act but shall be subject to all other provisions of the Act (however, see the  
Notes).

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-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

SAB CAPITAL PARTNERS, L.P.  
-----

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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*

(a)  [X]

(b)  [ ]

-----  
(3) SEC USE ONLY  
-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware  
-----

NUMBER OF (5) SOLE VOTING POWER

-0-  
-----

SHARES

BENEFICIALLY (6) SHARED VOTING POWER

541,830  
-----

OWNED BY

EACH (7) SOLE DISPOSITIVE POWER

-0-  
-----

REPORTING

PERSON WITH (8) SHARED DISPOSITIVE POWER

541,830  
-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON

541,830  
-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\*

[ ]  
-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)

2.9%  
-----

(12) TYPE OF REPORTING PERSON \*\*

PN  
-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

SAB CAPITAL PARTNERS II, L.P.  
-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*

(a)  [X]

(b)  [ ]  
-----

(3) SEC USE ONLY  
-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware  
-----

NUMBER OF (5) SOLE VOTING POWER

-0-  
-----

SHARES

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BENEFICIALLY (6) SHARED VOTING POWER 12,769  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING -----  
PERSON WITH (8) SHARED DISPOSITIVE POWER 12,769  
-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 12,769  
-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 0.1%  
-----  
(12) TYPE OF REPORTING PERSON \*\* PN  
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\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) SAB CAPITAL ADVISORS, L.L.C.  
-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [X]  
(b) [ ]  
-----  
(3) SEC USE ONLY  
-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION Delaware  
-----  
NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER 554,599  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING -----  
PERSON WITH (8) SHARED DISPOSITIVE POWER 554,599  
-----

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(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
554,599

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
2.9%

(12) TYPE OF REPORTING PERSON \*\*  
OO

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)  
SAB OVERSEAS CAPITAL MANAGEMENT, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
(a) [X]  
(b) [ ]

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF (5) SOLE VOTING POWER  
SHARES -0-

BENEFICIALLY (6) SHARED VOTING POWER  
OWNED BY 541,772

EACH (7) SOLE DISPOSITIVE POWER  
REPORTING -0-

PERSON WITH (8) SHARED DISPOSITIVE POWER  
541,772

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON  
541,772

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9)  
2.9%

(12) TYPE OF REPORTING PERSON \*\*

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PN

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-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY) SAB CAPITAL MANAGEMENT, L.L.C.

-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [X]  
(b) [ ]

-----  
(3) SEC USE ONLY

-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES

-----  
BENEFICIALLY (6) SHARED VOTING POWER 541,772  
OWNED BY

-----  
EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING

-----  
PERSON WITH (8) SHARED DISPOSITIVE POWER 541,772

-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 541,772

-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 2.9%

-----  
(12) TYPE OF REPORTING PERSON \*\* 00

-----  
\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO.  
OF ABOVE PERSONS (ENTITIES ONLY)

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SCOTT A BOMMER

-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a) [X]  
(b) [ ]  
-----  
(3) SEC USE ONLY  
-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
United States of America  
-----  
NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES -----  
BENEFICIALLY (6) SHARED VOTING POWER 1,096,371  
OWNED BY -----  
EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING -----  
PERSON WITH (8) SHARED DISPOSITIVE POWER 1,096,371  
-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 1,096,371  
-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 5.8%  
-----  
(12) TYPE OF REPORTING PERSON \*\*  
IN  
-----

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 1(a). Name of Issuer:

The name of the issuer is Stage Stores, Inc. (the "Company").

Item 1(b). Address of Issuer's Principal Executive Offices:

The Company's principal executive office is located at 10201 Main Street, Houston, TX 77025

Item 2(a). Name of Person Filing:

This statement is filed by:

(i) SAB Capital Partners, L.P., a Delaware limited partnership

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("SAB"), with respect to shares of Common Stock (as defined in Item 2(d) below) directly owned by it;

- (ii) SAB Capital Partners II, L.P., a Delaware limited partnership ("SAB II", and together with SAB, the "Partnerships"), with respect to shares of Common Stock (as defined in Item 2(d) below) directly owned by it;
- (iii) SAB Capital Advisors, L.L.C., a Delaware limited liability company (the "General Partner"), which serves as the general partner of each of the Partnerships, with respect to shares of Common Stock (as defined in Item 2(d) below) directly owned by each of the Partnerships;
- (iv) SAB Overseas Capital Management, L.P., a Delaware limited partnership (the "Investment Manager"), which serves as investment manager to and has investment discretion over the securities held by SAB Overseas Fund, Ltd., a Cayman Islands exempted company ("SAB Overseas"), with respect to shares of Common Stock directly owned by SAB Overseas;
- (v) SAB Capital Management, L.L.C., a Delaware limited liability company (the "IMGP"), which serves as the general partner to the Investment Manager, with respect to shares of Common Stock directly owned by SAB Overseas; and
- (vi) Mr. Scott A. Bommer ("Mr. Bommer"), who serves as the managing member of the General Partner and of the IMGP, with respect to shares of Common Stock directly owed by the Partnerships and SAB Overseas.

The Partnerships, the General Partner, the Investment Manager, the IMGP and Mr. Bommer are hereinafter sometimes collectively referred to as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

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Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the business office of each of the Reporting Persons is 712 Fifth Avenue, 42nd Floor, New York, NY 10019.

Item 2(c). Citizenship:

Each of the Partnerships, the General Partner, the Investment Manager and the IMGP is organized under the laws of the State of Delaware. Mr. Bommer is a citizen of the United States of America.

Item 2(d). Title of Class of Securities:

Common Stock (the "Common Stock")

Item 2(e). CUSIP Number:

85254C305

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

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- (a)  Broker or dealer registered under Section 15 of the Act,
- (b)  Bank as defined in Section 3(a)(6) of the Act,
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act,
- (d)  Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e)  Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E),
- (f)  Employee Benefit Plan or Endowment Fund in accordance with Rule 13d-1(b)(1)(ii)(F),
- (g)  Parent Holding Company or control person in accordance with Rule 13d-1(b)(1)(ii)(G),
- (h)  Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,
- (i)  Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to 13d-1(c), check this box:

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Item 4. Ownership.

- A. SAB Capital Partners, L.P.
  - (a) Amount beneficially owned: 541,830
  - (b) Percent of class: 2.9%

The percentages used herein and in the rest of this Schedule 13G are calculated based upon the 18,899,650 shares of Common Stock issued and outstanding on December 12, 2002, as reflected in the Company's Form 10-Q for the quarterly period ended November 2, 2002.
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or direct the vote: -0-
    - (ii) Shared power to vote or direct the vote: 541,830
    - (iii) Sole power to dispose or direct the disposition: -0-
    - (iv) Shared power to dispose or direct the disposition: 541,830
- B. SAB Capital Partners II, L.P.
  - (a) Amount beneficially owned: 12,769
  - (b) Percent of class: 0.1%
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or direct the vote: -0-
    - (ii) Shared power to vote or direct the vote: 12,769
    - (iii) Sole power to dispose or direct the disposition: -0-
    - (iv) Shared power to dispose or direct the disposition: 12,769
- C. SAB Capital Advisors, L.L.C.
  - (a) Amount beneficially owned: 554,599



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- (b) Percent of class: 2.9%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 554,599
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 554,599

- D. SAB Overseas Capital Management, L.P.
  - (a) Amount beneficially owned: 541,772
  - (b) Percent of class: 2.9%
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or direct the vote: -0-
    - (ii) Shared power to vote or direct the vote: 541,772
    - (iii) Sole power to dispose or direct the disposition: -0-
    - (iv) Shared power to dispose or direct the disposition: 541,772

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- E. SAB Capital Management, L.L.C.
  - (a) Amount beneficially owned: 541,772
  - (b) Percent of class: 2.9%
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or direct the vote: -0-
    - (ii) Shared power to vote or direct the vote: 541,772
    - (iii) Sole power to dispose or direct the disposition: -0-
    - (iv) Shared power to dispose or direct the disposition: 541,772

- F. Scott A. Bommer
  - (a) Amount beneficially owned: 1,096,371
  - (b) Percent of class: 5.8%
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or direct the vote: -0-
    - (ii) Shared power to vote or direct the vote: 1,096,371
    - (iii) Sole power to dispose or direct the disposition: -0-
    - (iv) Shared power to dispose or direct the disposition: 1,096,371

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

SAB Overseas, a client of the Investment Manager, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities reported in this Schedule 13G. SAB Overseas does not hold more than five percent of the class of securities reported herein.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

See Item 2.

Item 9. Notice of Dissolution of Group.

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Not applicable.

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Item 10. Certification.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: February 14, 2003

/s/ Scott A Bommer

-----  
Scott A Bommer,  
individually and as managing member of  
(a) SAB Capital Advisors, L.L.C.,  
for itself and as the general partner of  
(i) SAB Capital Partners, L.P. and  
(ii) SAB Capital Partners II, L.P.; and  
(b) SAB Capital Management, L.L.C.,  
for itself and as the general partner of  
SAB Overseas Capital Management, L.P.

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EXHIBIT 1

JOINT ACQUISITION STATEMENT  
PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G, is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G, shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

DATED: February 14, 2003

/s/ Scott A Bommer

-----  
Scott A Bommer,  
individually and as managing member of  
(a) SAB Capital Advisors, L.L.C.,  
for itself and as the general partner of  
(i) SAB Capital Partners, L.P. and  
(ii) SAB Capital Partners II, L.P.; and  
(b) SAB Capital Management, L.L.C.,  
for itself and as the general partner of  
SAB Overseas Capital Management, L.P.