

CHILDRENS PLACE RETAIL STORES INC
Form DEF 14A
May 18, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

THE CHILDREN'S PLACE RETAIL 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):

- ☒ 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):

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

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THE CHILDREN'S PLACE RETAIL STORES, INC.
500 Plaza Drive
Secaucus, New Jersey 07094

May 17, 2010

Dear Stockholder:

On behalf of the Board of Directors of The Children's Place Retail Stores, Inc., it is my pleasure to invite you to attend the 2010 Annual Meeting of Stockholders of The Children's Place Retail Stores, Inc.

The business to be transacted at the meeting is set forth in the accompanying Notice of Annual Meeting of Stockholders and is more fully described in the accompanying Proxy Statement.

It is important that your shares be represented at the meeting, regardless of how many you hold. Whether or not you can be present in person, please submit a proxy card to vote your shares in accordance with the instructions that we provide to you and as set forth in the accompanying Proxy Statement. If you do attend the meeting and wish to vote in person, your proxy may be revoked at your request.

We appreciate your support and look forward to seeing you at the meeting.

Sincerely yours,

Norman Matthews
Chairman of the Board

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THE CHILDREN'S PLACE RETAIL STORES, INC.

**Notice of Annual Meeting of
Stockholders
To be held Tuesday, June 15, 2010**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of The Children's Place Retail Stores, Inc. (the "Company") will be held at 500 Plaza Drive, Secaucus, New Jersey, on Tuesday, June 15, 2010, at 10:00 a.m., Secaucus, New Jersey time, for the purpose of considering and acting on the following matters:

1.
To elect three Class I Directors to serve for a three-year term, each until his or her successor is duly elected and qualified.
2.
To ratify the appointment of BDO Seidman, LLP as the Company's independent registered public accounting firm for the fiscal year ending January 29, 2011.
3.
To transact such other business as may properly come before the meeting, or any adjournment thereof.

These items of business, including the Board's nominees for Directors, are more fully described in the proxy statement accompanying this Notice.

The Board of Directors has fixed the close of business on Friday, May 14, 2010 as the record date for determining the stockholders entitled to notice of and to vote at the annual meeting and any adjournment or postponement thereof.

IMPORTANT: All stockholders are cordially invited to attend the annual meeting in person. However, whether or not you plan to attend the annual meeting in person, you are urged to mark, date, sign, and return the enclosed proxy card as promptly as possible in the postage prepaid envelope provided, or vote electronically through the Internet or by telephone, to ensure your representation and the presence of a quorum at the annual meeting. If you submit your proxy and then decide to attend the annual meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the proxy statement. Only the Company's stockholders of record at the close of business on Friday, May 14, 2010 shall be entitled to notice of, to attend and to vote at, the annual meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on Tuesday, June 15, 2010: This proxy statement, the accompanying form of proxy card and the Company's 2009 Annual Report to Stockholders (the "Annual Report") are available at <http://www.childrensplace.com> under the section "Investor Relations." Under rules issued by the United States Securities and Exchange Commission, we are providing access to our proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of our proxy materials on the Internet.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL OF THE BOARD'S NOMINEES ON THE ENCLOSED PROXY CARD AND A VOTE FOR THE RATIFICATION

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OF THE APPOINTMENT OF BDO SEIDMAN, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

If you have any questions or require any assistance with voting your shares, please contact:

MACKENZIE PARTNERS, INC.

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

Email: childrensplace@mackenziepartners.com

By order of the Board of Directors,

Elena Lagdameo-Hogan

Secretary

Secaucus, New Jersey

May 17, 2010

IMPORTANT: Whether or not you expect to attend the annual meeting in person, we urge you to submit a proxy card to vote your shares in accordance with the instructions that we provide to you and as set forth in this proxy statement. This will help ensure the presence of a quorum at the annual meeting. Promptly voting your shares will save us the expense and extra work of additional solicitation. As described in this proxy statement, submitting your proxy card now will not prevent you from voting your shares at the annual meeting if you desire to do so, as your proxy is revocable at your option.

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THE CHILDREN'S PLACE RETAIL STORES, INC.
500 Plaza Drive
Secaucus, New Jersey 07094

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD TUESDAY, JUNE 15, 2010

ABOUT THE MEETING

This proxy statement is furnished in connection with the solicitation by the Board of Directors (the "Board") of The Children's Place Retail Stores, Inc. (the "Company", "our", "we", or "us"), of proxies for use in voting at the 2010 annual meeting of stockholders (the "annual meeting" or the "meeting"), to be held at the Company's headquarters located at 500 Plaza Drive, Secaucus, New Jersey on Tuesday, June 15, 2010, at 10:00 a.m., Secaucus, New Jersey time, and any adjournment or postponement thereof. This proxy statement, the enclosed proxy card and the Company's 2009 Annual Report to Stockholders are being sent to stockholders entitled to vote at the annual meeting.

Our Board urges you to vote FOR ALL of our nominees for Director: Jane T. Elfers, Robert Fisch and Louis Lipschitz and for the ratification of the appointment of BDO Seidman, LLP as our independent registered public accounting firm.

When and where will the annual meeting take place?

The annual meeting will be held on Tuesday, June 15, 2010, at 10:00 a.m., Secaucus, New Jersey time, at the Company's headquarters located at 500 Plaza Drive, Secaucus, New Jersey.

Who is soliciting my vote?

This proxy statement and the proxy card are provided in connection with the solicitation of proxies by our Board for the annual meeting. Proxy materials, including this proxy statement and the proxy card, were filed with the United States Securities and Exchange Commission (the "SEC") on May 14, 2010, and we expect to first make this proxy statement available to stockholders on or around May 18, 2010.

What am I being asked to vote on?

You are being asked to vote on the following matters:

the election of three Class I directors to serve for a three-year term, each until his or her successor is duly elected and qualified; and

the ratification of the appointment of BDO Seidman, LLP as our independent registered public accounting firm for the fiscal year ending January 29, 2011 ("Fiscal 2010").

With respect to the election of Directors, the Board has nominated one individual for each position on the Board to be filled at the annual meeting. The Board is also presenting the ratification and appointment of our independent registered public accounting firm.

May I access the proxy materials for the annual meeting on the Internet?

We are providing access to our proxy materials both by sending you this full set of proxy materials, including the proxy card, and by notifying you of the availability of our proxy materials on the Internet. This proxy statement, the accompanying form of proxy card and the Company's Annual Report on

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Form 10-K for the fiscal year ended January 30, 2010 ("Fiscal 2009") are available at <http://www.childrensplace.com> under the section "Investor Relations."

What is the record date for the annual meeting?

Friday, May 14, 2010 at 5:00 p.m., Secaucus, New Jersey time, is the record date for determining those stockholders who are entitled to vote at the annual meeting and at any adjournment or postponement of the meeting.

How many Directors can I vote for?

Our Board consists of eight Directors divided into three classes. Three Class I Directors will be elected to serve for a three-year term, each until his or her successor is duly elected and qualified. Stockholders can vote for up to three nominees for Directors for each share of our Common Stock, \$0.10 par value per share ("Common Stock"), owned on the record date.

How many votes do I have?

Stockholders have one vote for each share of Common Stock owned on the record date.

How many votes may be cast by all stockholders?

As of May 3, 2010, a total of 27,739,519 shares of our Common Stock were outstanding. Each share of our Common Stock on the record date, Friday, May 14, 2010, will be entitled to one vote with respect to each of the matters being considered at the annual meeting.

How many votes must be present to hold the annual meeting?

The presence in person or by proxy of the holders of a majority of the outstanding shares of our Common Stock entitled to vote at the annual meeting shall constitute a quorum for the transaction of business at the annual meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining the presence or absence of a quorum. A broker non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker or nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

In order for us to determine that enough votes will be present to hold the annual meeting, we urge you to vote by submitting the proxy card even if you plan to attend the meeting.

How many votes will be required to approve each of the proposals?

In an uncontested election of Directors, such as this election, each Director must be elected by the affirmative vote of a majority of the votes cast with respect to such Director by the shares of Common Stock present in person or represented by proxy and entitled to vote. A "majority of votes cast" means that the number of votes "FOR" a Director nominee must exceed 50% of the total number of votes cast "FOR" or "AGAINST" the election of that Director nominee.

The affirmative vote of the holders of a majority of the votes cast at the annual meeting is required to ratify the appointment of BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010.

What are the Board's recommendations?

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Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our Board. Our Board's recommendation with

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respect to each matter to be voted on is set forth, together with a description of the matter, in this proxy statement. In summary, our Board recommends a vote:

FOR the election of the three nominees of the Board named under the caption "Proposal No. 1 Election of Directors" to serve as Class I Directors; and

FOR the ratification of the appointment of BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010.

It is not currently expected that any matter other than those identified above will be voted upon at the annual meeting (other than procedural matters with respect to the conduct of the meeting that may properly arise). With respect to any other matter that properly comes before the meeting, the proxy holders will vote as may be recommended by our Board or, if no recommendation is given, in their own discretion.

How do I vote?

You may vote by attending the annual meeting and voting in person or you may vote by submitting a proxy. The method of voting by proxy differs for shares held as a record holder and shares held in street name, which means your shares are held of record by a broker, bank or nominee.

If you hold your shares of Common Stock as a record holder, you may vote your shares by completing, dating and signing the proxy card that was included with this proxy statement and promptly returning it in the preaddressed, postage paid envelope provided to you, or by submitting a proxy over the Internet or by telephone by following the instructions on the proxy card. As the stockholder of record, you have the right to vote in person at the meeting. If you choose to do so, you can bring the enclosed proxy card or vote using the ballot provided at the meeting.

If you vote by proxy, your shares will be voted at the annual meeting in the manner specified by you. If you sign, date and return your proxy card, but do not specify how you want your shares voted, they will be voted by the proxy holder as recommended by the Board.

If you hold your shares of Common Stock in street name, you are a beneficial holder, and you will receive a notice from your broker, bank or other nominee that includes instructions on how to vote your shares. Your broker, bank or nominee will allow you to deliver your voting instructions over the Internet and may also permit you to vote by telephone. In addition, you may request paper copies of the proxy statement and proxy card from your broker by following the instructions on the notice provided by your broker. Because a beneficial holder is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, bank or other nominee that holds your shares, giving you the right to vote the shares at the meeting.

Even if you plan to attend the annual meeting, we recommend that you vote your shares in advance as described in this proxy statement so that your vote will be counted if you later decide not to attend the annual meeting.

What does it mean if I receive more than one proxy or voting instruction form?

If your shares are registered in more than one name or in more than one account, you will receive more than one proxy card or voting instruction form. Please complete and return all of the proxy cards and voting instruction forms you receive (or vote by telephone or the Internet all of the shares on all of the proxy cards or voting instruction forms received) to ensure that all of your shares are voted.

May I revoke my vote?

If you are a stockholder of record, you may revoke your proxy at any time before your proxy is voted at the annual meeting by taking any of the following actions:

delivering to our Secretary a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

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signing and delivering a new paper proxy, relating to the same shares and bearing a later date than the original proxy;

submitting another proxy by telephone or over the Internet (your most recent telephone or Internet voting instructions will be followed); or

attending the annual meeting and voting in person, although attendance at the annual meeting will not, by itself, revoke a proxy.

Written notices of revocation and other communications with respect to the revocation of the Company's proxies should be addressed to:

The Children's Place Retail Stores, Inc.
500 Plaza Drive
Secaucus, New Jersey 07094
Attn: Corporate Secretary

If your shares are held in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee. You must contact your broker, bank or other nominee to find out how to do so. The following section describes how to vote in person if your shares are held in street name.

May I vote in person?

Yes. If you plan to attend the annual meeting and wish to vote in person, you will be given a ballot at the annual meeting. Please note, however, that if your shares are held in street name, you must bring to the annual meeting a legal proxy from the record holder of the shares, which is the broker or other nominee, authorizing you to vote at the annual meeting.

What if I abstain from voting?

For the election of our nominees as Class I Directors, you may vote for all the nominees named on the proxy card, or you may indicate on the proxy card that you are voting against the election of the nominees or abstaining with respect to the election of any nominee. If you elect to abstain from the election of a director, your abstention will not have any effect on the election of the director. In tabulating the vote results for the election of directors, only "FOR" and "AGAINST" votes are counted.

For the ratification of the appointment of BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010, you may vote for or against, or abstain from voting on, such proposal. An abstention on such proposal will be treated as a vote cast on the proposal and will have the same effect as a vote against such proposal.

What effects do broker non-votes have on the proposals?

Generally, broker non-votes occur when shares held by a broker, bank or other nominee in street name for a beneficial owner are not voted with respect to a particular proposal because the broker, bank or other nominee (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal.

A broker is entitled to vote shares held for a beneficial owner on "routine" matters, such as the ratification of the appointment of BDO Seidman, LLP as the Company's independent registered public accounting firm (Proposal 2), without instructions from the beneficial owner of those shares. On the other hand, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on certain "non-routine" items, such as the election of our Directors (Proposal 1).

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of Directors (Proposal 1). In the past, if you held your shares in street name and you did not

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indicate how you wanted your shares voted in the election of Directors, your bank, broker or other nominee was allowed to vote those shares on your behalf in the election of Directors as they felt appropriate. Recent regulatory changes were made to take away the ability of your bank, broker or other nominee to vote your uninstructed shares in the election of Directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank, broker, or other nominee how to vote in the election of Directors, no votes will be cast on your behalf.

Broker non-votes are counted for purposes of determining whether or not a quorum exists for the transaction of business, but will not be counted for purposes of determining the number of shares represented and voted with respect to an individual proposal that is considered a "non-routine" matter, and therefore will have no effect on the outcome of the vote on such proposal. Thus, if you do not give your broker specific voting instructions, your shares may not be voted on these "non-routine" matters and will not be counted in determining the number of shares necessary for approval.

We urge you to provide instructions to your broker so that your votes may be counted on these matters. You should vote your shares by following the instructions provided on the voting instruction card and returning your voting instruction card to your broker to ensure that your shares are voted on your behalf.

What happens if I do not return a signed proxy card?

If you hold your shares of Common Stock as a record holder, you may vote your shares by completing, dating and signing the proxy card that was included with the proxy statement and promptly returning it in the pre-addressed, postage paid envelope provided to you, or by submitting a proxy over the Internet or by telephone by following the instructions on the proxy card. If you choose to vote your shares by returning the proxy card included with the proxy statement and you do not sign the proxy card, the shares held in your name will not be voted (unless you attend and vote the shares at the annual meeting).

If you hold your shares through a broker and you do not provide your broker with specific instructions with respect to the proposal to ratify the appointment of our independent registered public accounting firm for Fiscal 2010 (Proposal 2), your shares may be voted with respect to such proposal at your broker's discretion. On the other hand, a broker may not be entitled to vote shares held for a beneficial owner on certain non-routine items, such as Director elections (Proposal 1), absent instructions from the beneficial owners of such shares.

If you beneficially own shares that are held by someone other than a broker, you should inquire of that person as to its practices regarding voting such shares without your instructions. Generally, most such persons follow the same practice as brokers.

What if I do not indicate my vote for one or more of the matters on my proxy card?

If you return a signed proxy card without indicating your vote on a matter submitted at the annual meeting, your shares will be voted on that particular matter as follows:

FOR the election of the three nominees of the Board named under the caption "Proposal No. 1- Election of Directors" to serve as Class I Directors; and

FOR the ratification of the appointment of BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010.

Will I have any rights of appraisal or similar dissenter's rights with respect to any matter to be acted upon at the annual meeting?

No. Holders of our Common Stock will not have any rights of appraisal or similar dissenter's rights with respect to any matter to be acted upon at the annual meeting.

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Will my vote be confidential?

Yes. It is our policy that your vote will not be disclosed to our Board or any of our employees, except for a very limited number of employees who are involved in coordinating the vote tabulation process and solely for such purpose. An independent inspector reviews the vote tabulation process. However, our confidentiality policy does not apply to certain matters, such as contested elections of Directors or certain contested proposals or the resolution of disputes as to how shares were voted.

How can I attend the annual meeting?

Only stockholders as of the record date, Friday, May 14, 2010 at 5:00 p.m., Secaucus, New Jersey time, may attend the annual meeting.

To attend the meeting, you must bring with you:

photo identification; and

proof of ownership of your shares as of the record date, such as a letter or account statement from your bank or broker.

The use of cameras, recording devices and other electronic devices at the annual meeting are prohibited, and such devices will not be allowed in the meeting or any other related areas, except by credentialed media. We realize that many cellular phones have built-in digital cameras, and while you may bring these phones into the venue, you may not use the camera function at any time.

What happens if the annual meeting is postponed or adjourned?

Your proxy will remain valid and may be voted when the postponed or adjourned meeting is held. You may change or revoke your proxy until it is voted.

Could other matters be decided at the annual meeting?

Our bylaws require a stockholder to provide prior notification of intent to present a matter for a vote at the annual meeting. No such notice has been received and, accordingly, we do not expect any other matter to be voted on at the meeting (other than any procedural matter incidental to the meeting that may arise). If, however, any other matter is properly raised and is presented for a vote at the annual meeting and you grant a proxy on the proxy card, the persons named as proxyholders, will have the discretion to vote your shares on such additional matters.

Who will pay the expenses incurred in connection with the solicitation of my vote?

We pay the cost of preparing this proxy statement and the related proxy card and notice of meeting, as well as any other materials that may be distributed on behalf of our Board, and any cost of soliciting your vote on behalf of the Board. We also pay all annual meeting expenses.

We have retained MacKenzie Partners, Inc., a proxy solicitation firm, to assist us in soliciting proxies and distributing proxy materials. In connection with its retention, MacKenzie Partners, Inc. has agreed to provide consulting and analytic services and to assist in the solicitation of proxies, primarily from banks, brokers, institutional investors and individual shareholders. We expect to pay MacKenzie Partners, Inc. approximately \$10,000 plus reasonable expenses for these services.

Will your independent registered public accounting firm participate in the annual meeting?

Yes. Our independent registered public accounting firm is BDO Seidman, LLP. A representative of BDO Seidman, LLP will be present at the meeting, will be available to answer appropriate questions you may have and will have the opportunity to make a statement.

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How can I obtain copies of your corporate governance documents?

A copy of each of our Corporate Governance Guidelines, our Code of Business Conduct and the charters for each of the committees of our Board is posted on our website, <http://www.childrensplace.com>, under the "Corporate Governance" tab in the section entitled "Investor Relations," or may be obtained by contacting our Secretary by e-mail at corporatesecretary@childrensplace.com or by mail at The Children's Place Retail Stores, Inc., 500 Plaza Drive, Secaucus, New Jersey 07094, Attention: Investor Relations. In addition, we intend to satisfy our disclosure requirements under Item 5.05 of Form 8-K, regarding any amendments to, or waiver of, a provision of our Code of Business Conduct that applies to our principal executive officers, principal financial officer, chief financial officer or controller or our directors by posting such information on our website, <http://www.childrensplace.com>, under the "Corporate Governance" tab under the section entitled "Investor Relations."

How can I communicate with your Board of Directors?

If you would like to communicate with our Board, a committee of our Board and/or an individual Director(s) (including the non-employee Directors as a group), you may send an e-mail to childrensplaceboard@childrensplace.com, or write to the following address:

Board of Directors
c/o Corporate Secretary
The Children's Place Retail Stores, Inc.
500 Plaza Drive
Secaucus, New Jersey 07094

You should specify in each communication the applicable addressee or addressees to be contacted, as well as the general topic of the communication. We will initially receive and process communications before forwarding them to the addressee. Our Secretary generally will not forward to the Directors a stockholder communication that she determines to be primarily commercial in nature, that relates to an improper or irrelevant topic, that requests information about us that is generally available (which will instead be forwarded to our Investor Relations Department) or that is unrelated to the stockholder's ownership of our stock.

Concerns about accounting, internal controls over financial reporting or auditing matters or possible violations of our Code of Business Conduct should be reported pursuant to the procedures outlined in our Code of Business Conduct, which is available on our website, <http://www.childrensplace.com>, under the "Corporate Governance" tab in the section entitled "Investor Relations."

How may I obtain assistance in voting, completing my proxy card or with other questions?

If you need assistance in voting by telephone or over the Internet or completing your proxy card or have questions regarding the annual meeting, please contact:

MACKENZIE PARTNERS, INC.

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)

or

Call Toll-Free (800) 322-2885

Email: childrensplace@mackenziepartners.com

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 15, 2010:

This proxy statement, the accompanying form of proxy card and the Company's 2009 Annual Report to Stockholders are available at <http://www.childrensplace.com> under the section "Investor Relations." Under new rules issued by the SEC, we are providing access to our proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of our proxy materials on the Internet.

Table of Contents**MATTERS REQUIRING STOCKHOLDER ACTION****PROPOSAL NO. 1 ELECTION OF DIRECTORS**

Our certificate of incorporation and our bylaws provide for a "classified" Board comprised of three classes, designated Classes I, II and III, whose members serve staggered three-year terms, so that one-third of our Directors are elected each year. Class I Directors and Class II Directors were last elected at our annual meeting of stockholders held in 2008 and Class III Directors were last elected at our annual meeting of stockholders held in 2009. Class I Directors are to be elected at this year's annual meeting and will serve for a three-year term, extending until the third succeeding annual meeting, and in each case until their successors are duly elected and qualified. Unless marked otherwise, signed proxy cards received will be voted "FOR" the election of the three nominees named below.

Nominees for Election at the Annual Meeting

The following table sets forth certain information with respect to the nominees of the Board for election as Class I Directors at the annual meeting, including their memberships on the Board's standing committees. See "Information Regarding the Board and its Committees" below.

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Chair Member

Nominees for Election

NAME	CLASS OF DIRECTOR	DIRECTOR SINCE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
Jane T. Elfers, age 49	I	2010			
<p>Jane T. Elfers has served as a Director of our Company and as the President and Chief Executive Officer of our Company since January 4, 2010. Ms. Elfers formerly served as President and Chief Executive Officer of Lord & Taylor Department Stores from May 2000 to September 2008. Lord & Taylor was part of The May Department Stores Company during the period May 2000 through August 2005 and a part of Federated Department Stores, Inc. during the</p>					

period September 2005
until October 2006 when
it was acquired by an
affiliate of NRDC Equity
Partnership.

Robert N. Fisch, age 60 I 2004

Mr. Fisch has served as a
Director of our Company
since June 2004 and
currently serves on our
Compensation
Committee. Mr. Fisch has
over 30 years of
experience in the retail
industry. Since 2001
Mr. Fisch has served as
the President, Chief
Executive Officer and
Chairman of the Board of
rue21 Inc., a fast growing
specialty apparel retailer
with over 550 stores
across the United States
that went public in
November 2009.
Mr. Fisch currently serves
as a member of
rue21 Inc.'s
Compensation Committee
and Corporate
Governance and
Nominating Committee.
He started his career at
Abraham & Straus in
New York.

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NAME	CLASS OF DIRECTOR	DIRECTOR SINCE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
<p>Louis Lipschitz, age 65</p> <p>Mr. Lipschitz has served as a Director of our Company since 2008, and currently serves as Chairman of our Audit Committee and as a member of our Nominating and Corporate Governance Committee. Mr. Lipschitz currently serves on the Board of Directors of New York & Company, Majesco Entertainment and Forward Industries. Mr. Lipschitz served on the Board of Directors of Finlay Enterprises, Inc. from 2006 until 2009. He also served as the Executive Vice President and Chief Financial Officer of Toys "R" Us, Inc. from 1996 until his retirement in 2004.</p>	I	2008			

Selection of Nominees

The foregoing nominees were recommended to the Board by the Nominating and Corporate Governance Committee of the Board and were approved by the Board. Each of the nominees has consented to be named in this proxy statement and to serve as Directors on the Board, if elected. Messrs. Fisch and Lipschitz have served on our Board since 2004 and 2008, respectively. Ms. Elfers was appointed to serve as a Director on January 4, 2010 to fill a vacancy on the Board created by the resignation of a former Class I Director. Pursuant to her employment agreement with the Company, the Company will nominate Ms. Elfers for election as a Director of the Company if her term as a Director is expiring. See "Management Compensation Employment and Severance Agreements with NEOs Jane T. Elfers, Chief Executive Officer and President." Each of Messrs. Fisch and Lipschitz meet the criteria for Director independence of the listing standards of The NASDAQ Stock Market and have no business, professional or other material relationship with us or any of our Directors or officers.

The Company believes that its Board as a whole should encompass a range of talent, skill, diversity, and expertise enabling it to provide sound guidance with respect to the Company's operations and interests. In addition to considering a candidate's background and accomplishments, candidates are reviewed in the context of the current composition of the Board and the evolving needs of our business. The Nominating and Corporate Governance Committee followed the selection process, criteria and other policies that it normally follows in recommending each of the full slate of nominees of the Board for election at the annual meeting. See "Information Regarding the Board of Directors and Its Committees Consideration of Director Nominees."

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The Nominating and Corporate Governance Committee seeks Directors with strong reputations and experience in areas relevant to the strategy and operations of the Company's business. Each of the nominees for election as a Director at the Annual Meeting of Stockholders and each of the Company's current Directors hold or have held senior executive positions in large, complex organizations and have operating experience that meets this objective, as described in their biographies appearing above and below. In these positions, they have also gained experience in core management skills, such as strategic and financial planning, public company financial reporting, corporate governance, risk management and leadership development.

The Nominating and Corporate Governance Committee also believes that each of the nominees and current Directors, and the Board as a whole, has other key attributes that are important to an effective board: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; diversity in gender, geographic origin and professional experience; and the commitment to devote significant time and energy to service on the Board and its committees.

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Except as otherwise specified by the stockholder, the persons named as proxies on the proxy card will vote "FOR" the nominees of the Board for election as Class I Directors. In the event that the Board nominates any substitute nominee(s), we will file an amended proxy statement that, as applicable, (i) identifies the substitute nominee(s), (ii) discloses that such nominee(s) have consented to being named in the revised proxy statement and to serve if elected and (iii) includes the disclosure required by Items 5(b) and 7 of Schedule 14A with respect to such nominee(s). Our Board is not aware that any of the nominees of the Board are unable or will decline to serve as a Director. All of the nominees are currently serving as Directors.

Pursuant to our certificate of incorporation, Directors shall be elected by a majority of votes cast by the shares present at a meeting of stockholders and entitled to vote on the election of Directors at such meeting, a quorum being present at such meeting, unless the election is contested, in which case Directors shall be elected by a plurality of votes cast by the shares present and entitled to vote at such meeting. A "contested election" means an election at which the number of nominees for election as Director is greater than the number of Directors to be elected. For such purpose, the number of nominees shall be determined as of the last date on which a stockholder in accordance with our bylaws may nominate a person for election as a Director in order for such nomination to be required to be presented for a vote of the stockholders.

Recommendation of the Board of Directors

THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF ALL NOMINEES NAMED ABOVE. PROXY CARDS RECEIVED BY THE COMPANY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES NAMED ABOVE UNLESS THE STOCKHOLDER SPECIFIES OTHERWISE IN THE PROXY.

The following table sets forth certain information with respect to the Class II and III Directors, whose term of office continues beyond the annual meeting.

Continuing Directors

					NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
NAME	CLASS OF DIRECTOR	DIRECTOR SINCE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	
Joseph Alutto, age 68	II	2008			
Dr. Alutto has served as a Director of our Company since 2008, and currently serves as the Chairman of our Nominating and Corporate Governance Committee. Since October 2007, Dr. Alutto has served as the Executive Vice President and Provost of The Ohio State University. Prior to this position, Dr. Alutto served as the institution's interim President from					

July 1, 2007 until September 30, 2007. Prior to these positions, Dr. Alutto served as the Dean of the Max M. Fischer College of Business at The Ohio State University for 16 years. Since 2005, Dr Alutto has served on the Board of Directors of M/I Homes, Inc. From 2002 to 2008 Dr. Alutto served on the Board of Directors of Nationwide Financial Services, Inc., and from 2005 to 2007 Dr. Alutto served on the Board of Directors of United Retail Group, Inc.

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NAME	CLASS OF DIRECTOR	DIRECTOR SINCE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
Charles Crovitz, age 56	II	2004			
<p>Mr. Crovitz has served as a Director of our Company since 2004. From September 2007 until January 2010, Mr. Crovitz also served as our Company's Interim Chief Executive Officer. Since October 2005, Mr. Crovitz has served on the Board of Directors of United Stationers, Inc. Since 2003, Mr. Crovitz has operated Crovitz Consulting Co. in Tisbury, Massachusetts. From 1993 to 2003, Mr. Crovitz served in several senior executive positions, including as the Executive Vice President & Chief Supply Chain Officer for Gap Inc.</p>					
Malcolm Elvey, age 68	III	2002			
<p>Mr. Elvey has served as a Director of our Company since December 2002 and currently serves as a member of our Audit Committee and our Nominating and Corporate Governance Committee. Mr. Elvey is currently Managing Partner of Collaborative Capital, a venture capital fund focused on early-stage technology companies, which he founded in 1999. From 2006 to 2008,</p>					

Mr. Elvey served on the board of directors of Migo Software Inc., a producer of mobile data and communication software. From January 2004 to March 2006, Mr. Elvey served as the Chief Executive Officer of LimoRes.net, a ground transportation company he helped found in New York. Mr. Elvey has also founded other companies, most notably, Esquire Communications, Ltd., a court reporting and legal services company, and Metro Cash & Carry, a publicly-traded South African warehouse club. Prior to founding Esquire Communications, Mr. Elvey served for two years as a member of the board of directors and as head of several divisions of ADT Ltd., a nationally recognized electronic security services provider. During his career, Mr. Elvey has served on the board of directors of public companies in the United States, Italy, the United Kingdom and South Africa, most notably, Pritchard Services and The Hawley Group, both United Kingdom-based companies. Mr. Elvey also coaches and runs workshops for public, private and not-for-profit organizations. He has been a member of the Young President's Organization/World President's Organization (YPO/WPO) since 1973 and has been an

adjudicator of business
plans at the Columbia
Business School since
1999. Mr. Elvey has an
MBA from the University
of Cape Town, South
Africa and is a chartered
accountant.

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NAME	CLASS OF DIRECTOR	DIRECTOR SINCE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
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Sally Frame Kasaks, age 65	III	2000			
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Ms. Kasaks has served as a Director of our Company since 2000, and currently serves as the Chair of our Compensation Committee and as a member of our Audit Committee. From August 2005 to October 2009 Ms. Kasaks served as our lead Director and from January 2007 to October 2009 she served as our acting Chair.

Ms. Kasaks served on the Board of Directors of Pacific Sunwear from 1997 until her retirement from their Board in January 2010. In October 2006 Ms. Kasaks was appointed Interim CEO of Pacific Sunwear of California, Inc., assuming role of Chair and Chief Executive Officer from May of 2007 until June of 2009. From 1997 to October 2006 Ms. Kasaks served as a retail and marketing business consultant to a number of retailers through ISTA Incorporated. From 1983 to 1985 and again from 1992 to 1996, Ms. Kasaks served as the Chief Executive Officer of Ann Taylor Stores, Inc. Ms. Kasaks has also

served as Chief Executive Officer of both Abercrombie & Fitch and Talbots, Inc. During her career, Ms. Kasaks has served as a Director to numerous companies, including Coach, Inc., Tuesday Morning, Inc., The White House, Inc., Cortefiel S.A. and Crane & Co., Inc. In addition, Ms. Kasaks has served as Advisor to the Board of the Army Air Force Exchange Service (AAFES).

Norman Matthews, age 77 III 2009

Mr. Matthews has served as a Director of our Company since March 2009 and as our Chairman of the Board since October 2009.

Mr. Matthews has served on the Boards of The Progressive Corporation since 1981, Henry Schein, Inc. since 2002 and Spectrum Brands since 2009. Previously, he served on the Boards of Sunoco, Inc., Toys "R" Us, Inc., Finlay Enterprises, Inc. and Federated Department Stores. Mr. Matthews served as President of Federated Department Stores until his retirement in 1988. He joined Federated Department Stores in 1978 as Chairman Gold Circle Stores Division. He was promoted to Executive Vice President of Federated Department Stores in 1982, to Vice

Chairman in 1984 and to President in 1987. Prior to joining Federated Department Stores, Mr. Matthews served as Senior Vice President, General Merchandise Manager for E.J. Korvette, and as Senior Vice President, Marketing and Corporate Development for Broyhill Furniture Industries. In 2005, Mr. Matthews was named as one of eight outstanding Directors by the Outstanding Directors Exchange.

PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Board, upon the recommendation of its Audit Committee, has appointed BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010. BDO Seidman, LLP acted as our

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independent registered public accounting firm for the most recently completed Fiscal 2009 by action of the Board upon recommendation of the Audit Committee.

The appointment of BDO Seidman, LLP as our independent registered public accounting firm for Fiscal 2010 is being submitted for ratification by the stockholders as a matter of sound corporate governance practice. If the stockholders do not ratify the appointment, the Audit Committee will reconsider the appointment but the vote will not be binding and the Audit Committee may continue the appointment. The outcome of the vote will also be considered in the decision to appoint our independent registered public accounting firm for next year. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time if it determines that such a change would be in our best interests and in the best interests of our stockholders.

A representative of BDO Seidman, LLP is expected to attend the annual meeting. The representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from stockholders.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF BDO SEIDMAN, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. PROXY CARDS RECEIVED BY THE COMPANY WILL BE VOTED "FOR" THE RATIFICATION OF THE APPOINTMENT OF BDO SEIDMAN, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM UNLESS THE STOCKHOLDER SPECIFIES OTHERWISE IN THE PROXY.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND COMMITTEES

Nominating and Corporate Governance

We are dedicated to being a leading specialty retailer of children's merchandise and to creating superior long term stockholder value. It is our policy to conduct our business with the highest integrity and an unrelenting passion for providing the best value to our customers. Our business is managed by our employees under the direction and oversight of our Board. Except for Jane T. Elfers, our President and Chief Executive Officer, none of the members of our Board are currently employed by us. Our Board limits membership on its standing committees to independent non-management Directors. We keep members of our Board informed of our business through discussions with management, materials we provide them, visits to our offices and stores and participation in meetings of our Board and committees.

Our Board has adopted a comprehensive set of corporate governance principles, which are outlined in our "Corporate Governance Guidelines," which include guidelines for:

determining Director independence and qualifications for Directors;

establishing overall standards and policies for carrying out the responsibilities of our Board and its committees, including reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

ensuring processes are in place for maintaining our integrity;

assessing our major risks and reviewing options for their mitigation; and

providing counsel to, and oversight of the selection, evaluation, development and compensation of, senior management.

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In addition, all of our employees, including our Chief Executive Officer and President (who is a principal executive officer), our Executive Vice President, Finance and Administration and Chief Financial Officer (who is a principal executive officer and our principal financial officer and principal accounting officer) and our controller, and our non-employee Directors are required to comply with our Code of Business Conduct.

Our Corporate Governance Guidelines, our Board committee charters and our Code of Business Conduct are published under the "Corporate Governance" tab in the "Investor Relations" section of our website, <http://www.childrensplace.com>. These materials are also available in print to any stockholder upon request. On a regular basis, our Board, as a whole or through its committees, reviews these corporate governance documents and best practices suggested by recognized governance authorities, and receives advice on pertinent developments in Delaware law, the rules and listing standards of The NASDAQ Stock Market, Inc. and the rules and regulations promulgated by the SEC. Our Board modifies our governance as warranted based on such reviews. Any modifications made to our governance documents referred to above are reflected periodically on our website.

Director Independence

A majority of our Board consists of non-management Directors who meet the criteria for director independence of the listing standards of The NASDAQ Stock Market. Beginning in Fiscal 2009 our Board consisted of eight Directors, Ms. Kasaks, Dr. Alutto, Messrs. Crovitz, Elvey, Fisch, and Lipschitz, and Ezra Dabah and Stanley Silverstein. On March 5, 2009, Mr. Matthews was added to the Board. On July 29, 2009, the Company entered into a securities purchase agreement with Mr. Dabah, Renee Dabah and certain related trusts pursuant to which the Company agreed to purchase an aggregate of approximately 2.45 million shares of Common Stock of the Company at a price of \$28.88 per share, which represented a discount of 5% to the average closing prices of the Company's Common Stock of the three days ending July 28, 2009. Pursuant to the securities purchase agreement, the Company also agreed to file a Registration Statement on Form S-3 ASR (or other appropriate form for which the Company is eligible) to effect the registration of the remaining approximately 2.45 million shares held by Mr. Dabah and his affiliates after giving effect to the sale, in a firm commitment underwritten offering in the event Mr. Dabah and his affiliates elected to sell such additional shares. In connection with the Company's agreement to purchase the shares and facilitate the offering, Messrs. Dabah and Silverstein tendered their resignations from the Board, effective as of August 3, 2009. Subsequently, effective as of January 4, 2010, Ms. Elfers was added to the Board. All the members of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, while serving in such capacity, have been and are independent Directors.

Each year each Director completes and submits to the Company a questionnaire, which, among other purposes, is used by the Nominating and Corporate Governance Committee to help evaluate whether the Director has any material relationship with us (whether directly or as a partner, stockholder, or officer of an organization that has a relationship with us), including any material relationship with our affiliates and management, pertinent to determining the Director's independence. With the assistance of the Nominating and Corporate Governance Committee, our Board made an affirmative determination that of our current Directors, Messrs. Elvey, Fisch, Lipschitz and Matthews, Dr. Alutto and Ms. Kasaks are independent within the meaning of the listing standards of The NASDAQ Stock Market, and with respect to the members of the Audit Committee, the provisions of SEC Rule 10A-3.

Director Leadership

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board.

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The Board has determined that having an independent Director serve as Chairman is in the best interest of the Company's shareholders at this time. This structure ensures a greater role for the independent Directors in the oversight of the Company and active participation of the independent Directors in setting agendas and establishing Board priorities and procedures. Further, this structure permits the Chief Executive Officer to focus on the management of the Company's day-to-day operations.

Consideration of Director Nominees

The Nominating and Corporate Governance Committee acts as a nominating committee on behalf of the Board to recruit, consider the qualifications of and recommend to the Board the Board's nominees for election as Directors by the stockholders and candidates to be elected by the Board to fill vacancies on the Board, as well as the selection by the Board of members of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committees.

When evaluating a candidate for membership on our Board, the Nominating and Corporate Governance Committee considers the skills and characteristics appropriate and desirable for membership on our Board based upon an assessment of the needs of our Board and its committees. The assessment includes an analysis of each candidate's judgment, financial literacy, maturity, experience, commitment, integrity and accountability, as well as consideration of diversity.

Our Corporate Governance Guidelines describe the minimum qualifications for nominees and the qualities or skills that are necessary for Directors to possess. Each nominee:

must satisfy any legal requirements applicable to members of our Board;

must have business or professional experience that will enable such nominee to provide useful input to our Board in its deliberations;

must have a reputation, in his or her business endeavors and in other pertinent communities, for honesty and ethical conduct;

must have a working knowledge of the types of responsibilities expected of members of the board of directors of a public company; and

must have experience, either as a member of the board of directors of another public or private company or a non-profit organization or a similar capacity, that demonstrates the nominee's capacity to serve in a fiduciary position.

The Nominating and Corporate Governance Committee annually reviews the individual skills and characteristics of the Directors, as well as the composition of the Board as a whole. This assessment includes a consideration of independence, diversity, skills, expertise, time availability and industry backgrounds in the context of the needs of the Board and the Company. In accordance with the Company's Corporate Governance Guidelines, the Nominating and Corporate Governance Committee considers whether a Director contributes to the Board in a way that can enhance perspective and experiences through diversity in gender, ethnic background, geographic origin and professional experience (public, private and non-profit sectors), but does not base its nomination of a candidate solely on these factors. The Nominating and Corporate Governance Committee strives to nominate Directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Company's business.

Our Nominating and Corporate Governance Committee will consider candidates for nominees to serve on our Board recommended by our stockholders. Our Corporate Governance Guidelines describe the procedure for stockholders to make such recommendations. Pursuant to these procedures a notice of such recommendation must be delivered to our Secretary at our principal executive offices located at 500 Plaza Drive, Secaucus, New Jersey 07094 no later than the close of business on the 90th day nor

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earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that if the annual meeting is called for a day that is more than 30 days before or more than 60 days after such anniversary date, notice to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting date and no later than the close of business on the later of the 90th day prior to such annual meeting date or the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by us. The public announcement of an adjournment or postponement of an annual meeting will not commence a new time period (or extend any time period) for the giving of a notice as described above. Our Corporate Governance Guidelines require the notice to set forth as to each candidate recommended by a stockholder: (a) all information relating to such candidate that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such candidate's written consent to being named in the proxy statement as a nominee, to serving as a Director if elected and to being contacted and interviewed by the Nominating and Corporate Governance Committee), and (b) information that will enable our Nominating and Corporate Governance Committee to determine whether the candidate or candidates satisfy the criteria established for Director candidates referred to above. Our Board, or Nominating and Corporate Governance Committee, may require a proposed nominee for Director to furnish such other information which pertains to such proposed nominee or which may be reasonably required to determine the eligibility of such proposed nominee to serve as a Director.

Our corporate governance guidelines provide that the Nominating and Corporate Governance Committee shall have a policy that there will be no differences in the manner in which it evaluates nominees recommended by stockholders and nominees recommended by the Nominating and Corporate Governance Committee or management, except that no specific process shall be mandated with respect to the nomination of any individuals who have previously served on our Board. The evaluation process for individuals other than existing members of our Board will generally include:

a review of the information provided to the Nominating and Corporate Governance Committee by the proponent;

a review of references from at least two sources determined to be reputable by the Nominating and Corporate Governance Committee; and

an interview of the candidate, together with a review of such other information as the Nominating and Corporate Governance Committee shall determine to be relevant.

Committees of the Board of Directors

Our Board has three standing committees: the Compensation Committee, the Nominating and Corporate Governance Committee and the Audit Committee, each of which operates pursuant to a written charter approved by our Board. A copy of the charter of each committee can be viewed under the "Corporate Governance" tab in the "Investor Relations" section of our website, <http://www.childrensplace.com>. In addition to the duties provided by their respective charters, each committee may be assigned additional duties by our Board from time to time, and each is charged with reporting its activities to our Board.

Compensation Committee

The Compensation Committee has been charged with the responsibilities of our Board relating to compensation of our executive officers and other members of management and reviews and approves related person transactions (as defined in the rules and regulations promulgated by the SEC). The Compensation Committee establishes our management compensation policies, reviews and

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recommends to the Board the terms of the Company's incentive compensation plans and programs, oversees the implementation of these plans and programs, including the granting of all equity awards, and determines all aspects of the compensation of our executive officers. For more information on the role played by the Compensation Committee in setting the compensation of our executives and the role of executive officers in determining or recommending the amount or form of executive compensation, see "Compensation Discussion and Analysis Role of the Compensation Committee, the Chief Executive Officer and Other Executives" below. In addition, the Compensation Committee makes recommendations to the Board regarding the compensation of Directors and reviews and approves any "related-person" transactions (as described below).

The Compensation Committee currently consists of three members, Ms. Kasaks (who serves as Chair of the Compensation Committee) and Messrs. Matthews and Fisch. Throughout Fiscal 2009, Ms. Kasaks served as a member and as Chair of the Compensation Committee. During Fiscal 2009 until October 27, 2009, Dr. Alutto served as a member of the Compensation Committee. On October 27, 2009, as a result of the Board's restructuring of the membership of its committees at the recommendation of the then-named Corporate Governance Committee, Mr. Matthews was appointed to the Compensation Committee and Dr. Alutto resigned from the Compensation Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee acts as a nominating committee to select the Board's nominees for election by the stockholders as Directors and recommends candidates for election by our Board to fill vacancies. Prior to December 3, 2009, the Nominating and Corporate Governance Committee was known as the Corporate Governance Committee. The committee determines the minimum qualifications that should be satisfied by members of our Board and recommends to the Board the membership of the Board's standing committees. The Nominating and Corporate Governance Committee also assists our Board with oversight of other corporate governance matters, including the evaluation of the effectiveness of each member of our Board and the performance of the Board as a whole. The Nominating and Corporate Governance Committee, in the event of an uncontested election, also must assess the appropriateness of accepting the resignation of a nominee of the Board for election as a Director who is in office as a Director and does not receive a majority of the votes cast by the stockholders in respect of his or her election.

The Nominating and Corporate Governance Committee currently consists of three members, Dr. Alutto (who serves as Chairman of the Nominating and Corporate Governance Committee), Mr. Elvey and Mr. Lipschitz. During Fiscal 2009 and until October 27, 2009, Ms. Kasaks served as Chair and as a member of the Corporate Governance Committee and Messrs. Elvey and Lipschitz and Dr. Alutto served as members. On October 27, 2009, as a result of the Board's restructuring of the membership of its committees at the recommendation of the then-named Corporate Governance Committee, Dr. Alutto was named as Chairman of the Corporate Governance Committee and Ms. Kasaks resigned from the Corporate Governance Committee. On December 3, 2009, the Board renamed the Corporate Governance Committee the Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee, which is a separately designated standing audit committee established in accordance with Section 3(a)(58) of the Exchange Act, monitors the preparation and integrity of our financial statements, our other financial reports and our overall disclosure practices; the soundness of our system of internal financial controls and our compliance with good accounting practices; and the appointment, qualifications, independence and performance of our independent registered public accounting firm. Additionally, the Audit Committee has oversight responsibility for the performance of our internal audit function and compliance with related legal and regulatory requirements.

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The Audit Committee currently consists of three members, Mr. Lipschitz (who serves as Chairman of the Audit Committee), Mr. Elvey and Ms. Kasaks. During Fiscal 2009 and until October 27, 2009, Mr. Elvey served as Chairman and a member and Messrs. Lipschitz and Fisch each served as members. On October 27, 2009, as a result of the Board's restructuring of the membership of its committees at the recommendation of the then-named Corporate Governance Committee, Mr. Lipschitz was named as Chairman of the Audit Committee, Ms. Kasaks was named as a member of the Audit Committee and Mr. Fisch resigned from the Audit Committee. Our Board has determined that during these periods, all members of the Audit Committee met and all of the current members of the Audit Committee meet the "financial sophistication" and independent director requirements of the listing standards of The NASDAQ Stock Market and that each of Messrs. Lipschitz, Elvey and Fisch and Ms. Kasaks qualified as an "audit committee financial expert," as defined in Item 407(d)(5) of Regulation S-K.

Risk Oversight

Companies face a variety of risks, including strategic, operational, financial, and compliance risk. The Board believes an effective risk management system will (1) timely identify the material risks that the Company faces, (2) communicate necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant committee, (3) implement appropriate and responsive risk management strategies consistent with the Company's risk profile, and (4) integrate risk management into Company decision-making.

Management performs an annual risk assessment to identify and prioritize the major risks to the Company and to develop mitigation strategies or ensure that mitigation strategies are in place to address identified risks, and periodically reports to the Board on its status. The Board reaches conclusions regarding the adequacy of the Company's risk management processes based upon the briefings provided by management and advisors as well as upon periodic reports the Board receives from the Audit Committee regarding the Audit Committee's assessment of financial risk and from the Compensation Committee regarding the Compensation Committee's assessment of the risk, if any, arising from the Company's compensation policies and practices. In addition to the formal compliance program, the Board encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations. The Board also continually works, with the input of the Company's executive officers, to assess and analyze the most likely areas of future risk for the Company.

Meetings of the Board of Directors

During Fiscal 2009, there were 12 meetings of our Board, 11 meetings of the Audit Committee, eight meetings of the Compensation Committee and five meetings of the Nominating and Corporate Governance Committee, as well as several meetings of special committees of the Board. The independent members of the Board met in executive session, without any member of management present, on seven occasions in Fiscal 2009. Each of our incumbent Directors attended in excess of 75% of the aggregate of the total number of meetings of our Board and committees thereof on which such Director served. As provided in our Corporate Governance Guidelines, we expect Directors to attend the annual meeting of stockholders. All of our Directors serving at the time of our last annual meeting of stockholders attended the meeting other than Messrs. Dabah and Silverstein, who tendered their resignations from the Board effective as of August 3, 2009.

Compensation Committee Interlocks and Insider Participation

As discussed above, members of the Compensation Committee during Fiscal 2009 included Ms. Kasaks, Dr. Alutto, Mr. Elvey and Mr. Fisch. No member of the Compensation Committee during

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such fiscal year was at the time an officer or employee of our Company or any of our subsidiaries nor does he or she currently serve in any such capacity nor did he or she formerly serve as an officer of our Company or any of our subsidiaries or have any relationship requiring disclosure under the heading "Certain Relationships and Related Transactions," as presented below, while a member of the Compensation Committee. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as member(s) of our Board or Compensation Committee.

Compensation of Directors

We pay each of our non-employee Directors an annual retainer, attendance fees and, where applicable, a retainer for our Chairman of the Board and our committee chairs, as specified in the table below.

FISCAL 2009

Initial Equity Grant	A deferred stock award for a prorated portion of \$100,000 worth of stock
Annual Retainer	
Cash	\$35,000
Equity Grant	A deferred stock award for \$100,000 worth of stock
Additional Annual Retainer for the Chairman of the Board and Committee Chairs	
Chairman	\$65,000
Audit Committee	\$15,000
Compensation Committee	\$10,000
Nominating and Corporate Governance Committee	\$10,000
Fee per Board Meeting	\$1,500
Fee per Committee Meeting	\$1,500

We also pay for or reimburse Directors for travel expenses related to attending meetings of our Board or its committees, Company business meetings and approved educational seminars. All Directors are eligible to receive 15 discount cards for our merchandise in accordance with our employee merchandise discount policy, which they may distribute to their friends and family at their discretion. We also reimburse Directors in an amount not to exceed \$6,000 per year for attendance at Director educational seminars.

Employee Directors are not eligible for the annual retainer or attendance fees or to serve on any committees of our Board. Employee Directors are paid for their services to us as employees and do not receive any additional compensation for serving on our Board.

Table of Contents**Fiscal 2009 Board of Directors Compensation**

The following table summarizes, in tabular format, the compensation of each non-employee Director for Fiscal 2009.

Directors Compensation

	FEES EARNED OR PAID IN CASH (\$)(1)		STOCK AWARDS (\$)(2)	OPTION AWARDS (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Norman S. Matthews (3)	\$	82,750	\$	90,952	\$	\$ 173,702
Joseph Alutto (4)		91,417		100,010		191,427
Charles Crovitz (5)		4,417				4,417
Ezra Dabah (6)		25,000		100,010		125,010
Malcolm Elvey (7)		104,750		100,010		204,760
Robert Fisch (8)		92,000		100,010		192,010
Sally Frame Kasaks (9)		156,750		100,010		256,760
Louis Lipschitz (10)		98,750		100,010		198,760
Stanley Silverstein (11)		23,500		100,010		123,510

- (1) Includes the aggregate dollar amount of all fees earned in cash for services as a Director, including annual retainer fees, committee and/or chairmanship fees and meeting fees.
- (2) Represents the stock award grant date fair value recognized for financial statement reporting purposes in accordance with the "Compensation Stock Compensation" topic of the Financial Accounting Standards Board's Accounting Standards Codification. For more information see Note 4 Stock-Based Compensation in the accompanying Notes to Consolidated Financial Statements filed in our Annual Report on Form 10-K on March 26, 2010. The fair value of deferred stock awards is defined as the average of the high and low trading price of the Company's Common Stock on the grant date. Pursuant to our Amended and Restated 2005 Equity Incentive Plan of the Company ("2005 Equity Plan"), stock awards to those who have attained the age of retirement are subject to accelerated vesting for financial reporting purposes. Each of Dr. Alutto, Ms. Kasaks and Messrs. Elvey, Lipschitz, Matthews and Silverstein has reached retirement age under the 2005 Equity Plan, and consequently each deferred stock award received by him or her is subject to accelerated vesting upon retirement from the Board.
- (3) On March 5, 2009, upon his appointment to our Board, Mr. Matthews was granted 4,663 shares of deferred stock with a fair market value as of such date of \$90,952, which fully vested on March 5, 2010. At January 30, 2010, Mr. Matthews held 4,663 shares of deferred stock.
- (4) On February 1, 2009, Dr. Alutto was granted 5,254 shares of deferred stock with a fair market value as of such date of \$100,010, which fully vested on February 1, 2010. At January 30, 2010, Dr. Alutto held 5,254 shares of deferred stock and 10,000 options to purchase shares of our Common Stock.
- (5) Mr. Crovitz's term as Interim Chief Executive Officer ended on January 4, 2010.
- (6)

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On February 1, 2009, Mr. Dabah was granted 5,254 share of deferred stock with a fair market value as of such date of \$100,010. Effective as of August 3, 2009, Mr. Dabah resigned from the Board. At the time of his resignation, his deferred stock award was unvested and therefore was forfeited.

(7)

On February 1, 2009, Mr. Elvey was granted 5,254 shares of deferred stock with a fair market value as of such date of \$100,010, which fully vested on February 1, 2010. At January 30, 2010, Mr. Elvey held 5,254 shares of deferred stock and 31,000 options to purchase shares of our Common Stock.

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- (8) On February 1, 2009, Mr. Fisch was granted 5,254 shares of deferred stock with a fair market value as of such date of \$100,010, which fully vested on February 1, 2010. At January 30, 2010, Mr. Fisch held 5,254 shares of deferred stock and 35,000 options to purchase shares of our Common Stock.
- (9) On February 1, 2009, Ms. Kasaks was granted 5,254 shares of deferred stock with a fair market value as of such date of \$100,010, which fully vested on February 1, 2010. At January 30, 2010, Ms. Kasaks held 5,254 shares of deferred stock and 31,000 options to purchase shares of our Common Stock.
- (10) On February 1, 2009, Mr. Lipschitz was granted 5,254 shares of deferred stock with a fair market value of \$100,010, which fully vested on February 1, 2010. At January 30, 2010, Mr. Lipschitz held 5,254 shares of deferred stock and 15,000 options to purchase shares of our Common Stock.
- (11) On February 1, 2009 Mr. Silverstein was granted 5,254 share of deferred stock with a fair market value as of such date of \$100,010. Effective as of August 3, 2009, Stanley Silverstein resigned from the Board. At the time of his resignation Mr. Silverstein had reached the retirement age under the 2005 Equity Plan and the deferred stock award received by him was subject to accelerated vesting upon his resignation.

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****Fees Paid to Independent Registered Public Accounting Firm for Services Rendered During the Last Two Fiscal Years**

The following table summarizes the aggregate fees billed to us by BDO Seidman, LLP our independent registered public accounting firm for Fiscal 2009, for its services rendered for or in such year. BDO Seidman, LLP audited the Company's consolidated financial statements the fiscal year ended January 31, 2009 ("Fiscal 2008") and Fiscal 2009.

	FISCAL 2009	
	AMOUNT (IN \$ THOUSANDS)	% OF TOTAL FEES FOR YEAR
Audit fees billed for the year	1,425	94%
Audit-related fees billed in the year	90	6%
Tax fees billed in the year		0%
All other fees billed in the year		0%
TOTAL	\$ 1,515	100%

	FISCAL 2008	
	AMOUNT (IN \$ THOUSANDS)	% OF TOTAL FEES FOR YEAR
Audit fees billed for the year	\$ 1,955	94%
Audit-related fees billed in the year	132	6%
Tax fees billed in the year		0%
All other fees billed in the year		0%
TOTAL	\$ 2,087	100%

Audit Fees

Audit fees billed by BDO Seidman, LLP for Fiscal 2009 consisted of fees for the audit of our annual consolidated financial statements for Fiscal 2009, reviews of our quarterly consolidated financial statements for the first, second and third quarters of Fiscal 2009 and provision of an attestation report on our internal control over financial reporting as of January 30, 2010, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

Audit fees billed by BDO Seidman, LLP for Fiscal 2008 consisted of fees for the audit of our annual consolidated financial statements for Fiscal 2008, reviews of our quarterly consolidated financial statements for the first, second and third quarters of Fiscal 2008 and provision of an attestation report on our internal control over financial reporting as of January 31, 2009 as required by Section 404 of the Sarbanes-Oxley Act of 2002.

Audit-Related Fees

All audit-related fees billed by BDO Seidman, LLP in Fiscal 2009 and Fiscal 2008 included various consulting fees.

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Tax Fees

BDO Seidman, LLP did not bill any fees for tax service in Fiscal 2009 or Fiscal 2008.

All Other Fees

BDO Seidman, LLP did not bill other fees in Fiscal 2009 or Fiscal 2008.

The Audit Committee monitors the non-audit fees of, and has a policy to limit as in its judgment is appropriate the non-audit services performed by, our independent registered public accounting firm to help ensure that their nature and magnitude is compatible with the firm's role as an independent registered public accounting firm.

Pre-Approval Policy

For Fiscal 2009, the Audit Committee specifically pre-approved all services, including both audit and non-audit services, provided by our independent registered public accounting firm.

The Audit Committee currently is considering the adoption of an Audit and Non-Audit Services Pre-Approval Policy for Fiscal 2010, which would contain a detailed description of the permitted audit, audit-related, tax and other services that are expected to be or could be performed by our independent registered public accounting firm during Fiscal 2010; however, until such policy is adopted, the Audit Committee shall specifically pre-approve all services, including both audit and non-audit services, provided by our independent registered public accounting firm.

Audit Committee Report

The Audit Committee reviews the Company's financial reporting process on behalf of the Board. The committee has authority to appoint, discharge and replace our independent registered public accounting firm, and is directly responsible for the oversight of the scope of its audit work and the determination of its compensation.

As stated in the Audit Committee's charter, the committee's responsibility is one of oversight. It is the responsibility of our management to establish and maintain a system of internal control over financial reporting and to prepare financial statements of the Company and its subsidiaries in accordance with generally accepted accounting principles and to prepare other financial reports and disclosures. Our independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements and to issue a report thereon. The Audit Committee does not provide any expert or other special assurance as to our financial statements or any expert or professional certification as to the work of our independent registered public accounting firm.

In fulfilling its oversight responsibilities, the Audit Committee has, among other things, reviewed and discussed with management our audited consolidated financial statements for Fiscal 2009, met and held discussions with management and with our independent registered public accounting firm and the head of our internal audit function (both with and without management present) regarding the fair and complete presentation of our financial results and discussed the significant accounting policies applied in our financial statements as well as alternative treatments. The Audit Committee also reviewed and discussed with management, the head of our internal audit function and our independent registered public accounting firm the reports required by Section 404 of the Sarbanes Oxley Act of 2002, namely, management's annual assessment of our internal control over financial reporting and our independent registered public accounting firm's attestation report thereon. The Audit Committee has discussed with our independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, "*Communication With Audit Committees*," as adopted, amended,

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modified or supplemented, by the Public Company Accounting Oversight Board ("PCAOB"). In addition, the Audit Committee has received the written disclosures and the letter from our independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm such firm's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to our Board that our audited consolidated financial statements for Fiscal 2009 be included in our Annual Report on Form 10-K for such fiscal year for filing with the SEC.

Submitted by the Audit Committee

Louis Lipschitz, Chairman
Malcolm Elvey
Sally Frame Kasaks

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding ownership of shares of our Common Stock, as of May 3, 2010:

by each person known by us to be the beneficial owner of 5% or more of our Common Stock;

by each of our current Directors and NEOs; and

by all of our current Directors and executive officers as a group.

Except as otherwise indicated, each person and each group shown in the table below has sole voting and investment power with respect to the shares of Common Stock indicated. For purposes of the table below, in accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner of any shares of Common Stock over which he or she has or shares, directly or indirectly, voting or investment power; or of which he or she has the right to acquire beneficial ownership at any time within 60 days after May 3, 2010. As used herein, the term "voting power" means the power to vote or direct the voting of shares and the term "investment power" includes the power to dispose or direct the disposition of shares. Percentage ownership has been calculated based on 27,739,519 shares of our Common Stock outstanding as of May 3, 2010.

NAME AND ADDRESS OF BENEFICIAL OWNER (1)	SHARES BENEFICIALLY OWNED	PERCENT OF CLASS
BlackRock, Inc. (2)	2,582,972	9.3%
Lord, Abbett & Co. LLC (3)	2,367,599	8.5%
Sankaty Credit Advisors, LLC, (4)	1,775,000	6.4%
Wellington Management Company, LLP (5)	1,567,246	5.6%
Norman S. Matthews (6)	4,663	*
Joseph Alutto (7)	18,397	*
Charles Crovitz (8)	96,336	*
Jane T. Elfers (9)		*
Malcolm Elvey (10)		