

STAGE STORES INC  
Form 11-K  
March 28, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

or  
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TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from                      to

Commission file number 1-14035

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Stage Stores, Inc. Nonqualified Deferred Compensation Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Stage Stores, Inc.  
2425 West Loop South  
Houston, Texas 77027

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Schedules I, II and III have been omitted because the required information is shown in the financial statements or notes, or the information is not applicable to this Plan.	
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Exhibit 23 - Consent of Independent Registered Public Accounting Firm	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Participants and  
Audit Committee of Stage Stores, Inc.  
Nonqualified Deferred Compensation Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for plan benefits of Stage Stores, Inc. Nonqualified Deferred Compensation Plan (the "Plan") as of December 31, 2018 and 2017, the related statements of changes in net assets available for plan benefits for the years ended December 31, 2018, 2017 and 2016, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2018 and 2017, and the changes in net assets available for plan benefits for the years ended December 31, 2018, 2017 and 2016, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Houston, Texas  
March 28, 2019

We have served as the auditor of the Plan since 2008.

STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31,	
	2018	2017
Assets:		
Investments, at fair value:		
Mutual funds	\$11,467,444	\$12,001,964
Stage Stores, Inc. common stock, 382,755 and 238,364 shares with a cost basis of \$1,977,588 and \$1,696,191, respectively	283,239	400,451
Total assets	11,750,683	12,402,415
Liabilities:		
Administrative expenses payable	6,610	5,625
Net assets available for plan benefits	\$11,744,073	\$12,396,790

The accompanying notes are an integral part of these financial statements.

STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS  
 AVAILABLE FOR PLAN BENEFITS

	For the Year Ended December 31,		
	2018	2017	2016
Additions:			
Net investment income:			
Dividend and interest income on investments in:			
Mutual funds	\$613,841	\$451,036	\$362,570
Stage Stores, Inc. common stock	58,397	59,252	94,658
Net (depreciation) appreciation in fair value of investments	(1,717,016 )	1,002,611	(244,555 )
	(1,044,778 )	1,512,899	212,673
Contributions:			
Employer	649,822	752,187	788,391
Participant	667,505	793,127	916,940
	1,317,327	1,545,314	1,705,331
Total additions	272,549	3,058,213	1,918,004
Deductions:			
Distributions to participants	904,139	3,986,489	1,243,437
Administrative expenses	21,127	14,853	11,289
Total deductions	925,266	4,001,342	1,254,726
Net (decrease) increase in assets	(652,717 )	(943,129 )	663,278
Net assets available for plan benefits:			
Beginning of year	12,396,790	13,339,919	12,676,641
End of year	\$11,744,073	\$12,396,790	\$13,339,919

The accompanying notes are an integral part of these financial statements.

STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018 and 2017  
AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - PLAN DESCRIPTION

The following description of the Stage Stores, Inc. Nonqualified Deferred Compensation Plan (“Plan”) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan and was established on January 1, 2002 by Stage Stores, Inc. (“Company” or “Plan Administrator”) for the purpose of attracting and retaining highly qualified individuals for the successful conduct of the Company’s business by helping to provide for the retirement of the Company’s key employees selected to participate in the Plan. The Plan covers key employees, the selection of which remains at the sole discretion of the Plan Administrative Committee (“Committee”) of the Company, as defined in the Plan document. As of December 31, 2018 and 2017, there were 25 and 26 participants with account balances in the Plan, respectively. Of these participants, 18 and 22 were active employees at December 31, 2018 and 2017, respectively.

Plan Administration

The Committee, comprised of members appointed by the Company, is responsible for the administration of the provisions of the Plan. The Company has contracted with Fidelity Management Trust Company (the “Trustee” or “Fidelity”) to serve as the Plan’s trustee and Fidelity Workplace Services LLC as the Plan’s record keeper. The Company has also contracted with Regions Bank to provide consulting services regarding the Plan’s design and fee structure.

Participant Accounts

The Company maintains a participant account for each participant deferring compensation to the Plan. Each participant’s account is adjusted for the participant’s deferral/contribution, employer matching contributions, investment gains or losses and payments or distributions in accordance with the Plan Document.

Effective June 5, 2008, the Company amended the Plan to include a stock investment option wherein participants can elect to invest a portion of their deferrals in the Company’s common stock (“Company Stock Investment Option”). These shares are held in a grantor trust. The number of shares of common stock credited to a participant’s account shall be adjusted, as appropriate, to reflect any stock split, any dividends or deemed dividends, any recapitalization of the Company, or any reorganization of the Company. Shares of common stock will be issued in the name of the Plan. Company stock in a participant’s account at the time in which the participant is no longer a Plan participant will remain in the participant’s account until six months after the participant is no longer an employee of the Company. Investments in Company stock may not be settled in cash.

Contributions

Participants may elect to contribute up to fifty percent (50%) of pretax annual compensation and up to one hundred percent (100%) of the participant’s bonus. Employer matching contributions are determined by the Committee. For the year ended December 31, 2018, the Company matched 100% of each participant’s contributions, up to 10% of the sum of the participant’s base salary and bonus.

Vesting

Participants are immediately vested in their contributions, the Company's matching contributions and earnings on the contributions.

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STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018 and 2017  
AND FOR THE YEAR ENDED DECEMBER 31, 2018

#### Payment of Benefits

On termination of service, a participant may generally elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account or annual installments over a 2 to 5 year period.

#### Plan Termination

Although it has not expressed any intent to do so, the Company retains the unilateral power to amend or terminate the Plan at any time. No such amendment or termination shall adversely affect any participant or their beneficiaries with respect to their right to receive the value of their accounts, determined as of the later of the date that the Plan amendment or termination is adopted or by its terms to be effective, without the consent of affected participants or their beneficiaries.

#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

##### Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires the Committee to make estimates and assumptions that affect the reported amounts of assets and changes therein, and disclosure of contingent assets at the date of the financial statements. Actual results could differ from those estimates.

##### Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The Plan's investments include publicly traded mutual funds and shares of Company stock, both of which are valued based on quoted market prices on the last business day of the Plan year. The change in market value of the investments is reflected in the Statements of Changes in Net Assets Available for Plan Benefits as appreciation /depreciation in the fair value of investments. Refer to Note 4 for further details related to the Plan's fair value valuation methods. Realized gains and losses on investments are calculated using average cost. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

##### Distributions

Distributions to participants are recorded when paid.

##### Risks and Uncertainties

Investment securities, in general, are exposed to various risks, such as interest rate, liquidity risk, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such a change could materially



affect participants' account balances and the amount reported in the Statements of Net Assets Available for Plan Benefits.

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STAGE STORES, INC. NONQUALIFIED DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018 and 2017  
AND FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - INVESTMENTS

The following table sets forth the Plan's investments by individual fund for the periods presented:

December 31, 2018	2017
Price Investments	Price
Shares at Fair	Shares
Share Value	Share