

**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**

Filed by the Registrant o

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 Pursuant to §240.14a-12

**The Children's Place Retail Stores, Inc.**

(Name of Registrant as Specified In Its Charter)

**EZRA DABAH**

**RENEE DABAH**

**STANLEY SILVERSTEIN**

**RAINE SILVERSTEIN**

**BARBARA DABAH**

**GILA GOODMAN**

**RAPHAEL BENAROYA**

**JEREMY J. FINGERMAN**

**ROSS B. GLICKMAN**

**EMANUEL R. PEARLMAN**

(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.
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- 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.:

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(3) Filing Party:

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(4) Date Filed:

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On July 7, 2009, The Committee of Concerned Shareholders of The Children's Place began using the attached investor presentation in meetings with the Company's shareholders.

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**The Committee of Concerned Shareholders of**

THE CHILDREN'S  
**PLACE**

**A Call for Action  
Investor Presentation**

*Summer 2009*

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## Disclaimer

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In connection with the 2009 Annual Meeting of Shareholders of The Children's Place Retail Stores, Inc. ("The Children's Place"), the Committee of Concerned Shareholders of The Children's Place (the "Committee") filed a definitive proxy statement on Schedule 14A with the Securities and Exchange Commission (the "SEC") on June 17, 2009 containing information about the solicitation of proxies for use at the 2009 Annual Meeting of Shareholders of The Children's Place. The definitive proxy statement and the GOLD proxy card were first disseminated to shareholders of The Children's Place on or about June 17, 2009.

**SHAREHOLDERS OF THE CHILDREN'S PLACE ARE URGED TO READ THE PROXY STATEMENT CAREFULLY BECAUSE IT CONTAINS IMPORTANT INFORMATION.** The definitive proxy statement and other relevant documents relating to the solicitation of proxies by the Committee are available at no charge on the SEC's website at <http://www.sec.gov>. Shareholders can also obtain free copies of the definitive proxy statement and other relevant documents at <http://www.eproxyaccess.com/plce> or by calling the Committee's proxy solicitor, Innisfree M&A Incorporated, at 1 (888) 750-5834.

The Committee is composed of Ezra Dabah, Renee Dabah, Stanley Silverstein, Raine Silverstein, Haim Dabah, Barbara Dabah and Gila Dweck. The members of the Committee and Raphael Benaroya, Jeremy J. Fingerman and Ross B. Glickman (collectively, the "Participants") are deemed to be participants in the solicitation of proxies with respect to the Committee's Nominees. Detailed information regarding the names, affiliations and interests of the Participants, including by security ownership or otherwise, is available in the Committee's definitive proxy statement.

This presentation contains forward-looking statements. All statements contained in this presentation that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. These statements are based on current expectations of the members of the Committee and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. The members of the Committee do not assume any obligation to update any forward-looking statements contained in this presentation.

This presentation is for general informational purposes only. It does not have regard to the specific investment objective, financial situation, suitability, or the particular need of any specific person who may receive this presentation, and should not be taken as advice on the merits of any investment decision. The views expressed herein represent the opinions of the Committee, which opinions may change at any time and are based on publicly available information with respect to The Children's Place. Certain financial information and data used herein have been derived or obtained from filings made with the Securities and Exchange Commission ("SEC") by The Children's Place or other companies that the Committee considers comparable or relevant.

The Committee has not sought or obtained consent from any third party to the use of previously published information as proxy soliciting material. Any such statements or information should not be viewed as indicating the support of such third party for the views expressed herein. No warranty is made that data or information, whether derived or obtained from filings made with the SEC or from any third party, are accurate. Neither the Committee nor any of its members, nor any affiliate of any such member, shall be responsible or have any liability for any misinformation contained in any SEC filing or third party report. The Committee disclaims any obligation to update the information contained herein.

This presentation does not recommend the purchase or sale of any security. Under no circumstances is this presentation to be used or considered an offer to sell or a solicitation of an offer to buy any security. There is no assurance or guarantee with respect to the prices at which any securities of The Children's Place will trade. The members of the Committee currently hold a substantial amount of common stock and options of The Children's Place and may in the future take such actions with respect to their investments in The Children's Place as they deem appropriate including, without limitation, purchasing additional shares of The Children's Place common stock or related financial instruments or selling some or all of their beneficial and economic holdings, engaging in any hedging or similar transaction with respect to such holdings and/or otherwise changing their intention with respect to their investments in The Children's Place. The members of the Committee may also change their beneficial or economic holdings depending on additions or redemptions of capital. The Committee members' beneficial ownership of The Children's Place common stock and options may vary over time depending on various factors, with or without regard to the Committee's views of The Children's Place's business, prospects or valuation (including the market price of The Children's Place common stock), including without limitation, other investment opportunities available to the members of the Committee, conditions in the securities market and general economic and industry conditions.

**Here is Why We Are Seeking Your Support**

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## The Committee of Concerned Shareholders' Mission

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**We believe that The Children's Place recent deterioration in performance is just the beginning of a downward trend, and that the Company urgently requires talented, experienced directors with a vision and a plan for growing the Company**

If elected, the Committee's Nominees intend to work with the Board to take definitive action towards:

- Identifying and recommending a permanent CEO and non-executive Chairman
- Articulating a clear vision for the future of the Company
- Reversing the loss of management and retaining and attracting key talent
- Positioning the Company for profitability and growth

## Urgent Concerns Regarding the Current Children's Place Leadership

***The Children's Place's current leadership is putting at risk the Company, its growth prospects and its ability to realize higher shareholder value***

<p><b>The Company's Slate Does Not Have The Necessary Expertise</b></p>	<ul style="list-style-type: none"> <li>▪ Company's slate has a poor track record                             <ul style="list-style-type: none"> <li>- Ms. Kasaks oversaw as CEO declines of 84% and 27% at PacSun and Ann Taylor, respectively<sup>(1)</sup></li> <li>- Mr. Matthews has been on the Board of three companies that have filed for Bankruptcy</li> <li>- Mr. Elvey does not possess the requisite retail experience</li> </ul> </li> <li>▪ Lacks expertise in real estate strategy, marketing and branding – all are necessary for success</li> </ul>
<p><b>The Board's Economic Interests Are Not Adequately Aligned With Shareholders</b></p>	<ul style="list-style-type: none"> <li>▪ The Board collectively owns less than 1.0% of the common shares outstanding<sup>(2)</sup></li> <li>▪ None of the Incumbent Board members have ever purchased any shares of the Company's common stock in the open market<sup>(3)</sup></li> </ul>
<p><b>The Company's Performance And Stock Price Have Declined</b></p>	<ul style="list-style-type: none"> <li>▪ Stock price has fallen (4%) from \$25.80 to \$24.86 since Mr. Crovitz's appointment</li> <li>▪ Stock price has fallen (32%) from \$36.79 to \$24.86 since the beginning of June</li> <li>▪ One month of comp growth since Nov 2008, culminating with 9% decline in May 2009 – worst monthly comp store sales results in over three years</li> </ul>
<p><b>There Has Not Been Anyone In Charge On A Permanent Basis</b></p>	<ul style="list-style-type: none"> <li>▪ The Board by its own admission has failed to install a permanent CEO after 22 months</li> <li>▪ Your Company has been led by an <b>Interim Chairman</b> and <b>Interim CEO</b> for almost <b>two years</b></li> </ul>

**Change is needed:  
the value of your investment is at risk**

<sup>(1)</sup> Ms. Kasaks was CEO of PacSun from 2007 to 2009, she was CEO of Ann Taylor from 1992 to 1999. We note that stock prices can be affected by many factors.  
<sup>(2)</sup> Excludes Mr. Dubon and Mr. Silverstein.  
<sup>(3)</sup> Excludes Mr. Dubon. Although none of the Committee's nominees currently owns any shares of the Company's common stock, each has committed to purchasing shares if elected to the Board.

## The Children's Place Needs Relevant Growth Minded Experience in the Boardroom

*The Committee has nominated three experienced and independent director candidates for election at the Company's upcoming 2009 Annual Meeting of Shareholders*

<p><b>RAPHAEL BENAROYA</b> <i>Qualified Retail CEO</i></p>	<ul style="list-style-type: none"> <li>▪ 25+ years specialty retail experience                             <ul style="list-style-type: none"> <li>– Izod Lacoste, The Limited Inc. and United Retail Group (Chairman and CEO)</li> <li>– F.A.O. Schwarz (Chairman – post bankruptcy)</li> </ul> </li> <li>▪ Current Chairman of Russ Berrie                             <ul style="list-style-type: none"> <li>– Public company specializing in children's consumer products</li> </ul> </li> </ul>	<p><i>Mr. Dabah does not have any prior social, business or professional relationship with any of the Committee Nominees</i></p>
<p><b>JEREMY J. FINGERMAN</b> <i>Marketing and Branding</i></p>	<ul style="list-style-type: none"> <li>▪ 20+ years mass marketing and brand management expertise</li> <li>▪ Recently served as President and CEO of R.A.B. Food Group, LLC</li> <li>▪ Former President of the largest division of Campbell Soup Company, the U.S. Soup Division</li> </ul>	
<p><b>ROSS GLICKMAN</b> <i>Real Estate Strategy</i></p>	<ul style="list-style-type: none"> <li>▪ 35+ years specialty retail and real estate strategy experience</li> <li>▪ Current Chairman and CEO of Urban Retail Properties                             <ul style="list-style-type: none"> <li>– Real estate firm specializing in retail shopping centers</li> <li>– 28m sq. ft. under management</li> </ul> </li> <li>▪ Former Director of Real Estate for The Limited Inc.</li> </ul>	

**The new independent Nominees are committed to enhancing shareholder value and are proven executives with successful track records**



## The New Independent Directors Will Address These Current Leadership Concerns

*If elected, the Committee's new Nominees will work proactively with the Board to address the Company's current deficiencies*

<p><b>The Committee's Slate Has The Expertise And Track Record</b></p>	<ul style="list-style-type: none"> <li>▪ Nominees address Board's deficiencies with expertise in specialty retail, real estate strategy, marketing and branding</li> <li>▪ Nominees have established successful growth track records</li> </ul>
<p><b>The Economic Interests Of The Committee's Nominees Will Be Aligned With Shareholders</b></p>	<ul style="list-style-type: none"> <li>▪ With 22% ownership, the Committee's economic interests are aligned with shareholders</li> <li>▪ The Committee's Nominees will purchase stock upon their election</li> <li>▪ The Committee's Nominees are focused on increasing shareholder value</li> </ul>
<p><b>The Company Will Be Headed In The Right Direction</b></p>	<ul style="list-style-type: none"> <li>▪ Initiate growth plans to maximize short- and long-term shareholder value                             <ul style="list-style-type: none"> <li>- Stop the loss of key management personnel and attract and retain new talent</li> <li>- Including but not limited to: shoe concept, small market concept and big box format</li> </ul> </li> <li>▪ Utilize Nominees' expertise in real estate strategy and marketing to enhance brand and to take advantage of current real estate market</li> </ul>
<p><b>The Committee's Nominees Will Prioritize Identifying A Permanent CEO</b></p>	<ul style="list-style-type: none"> <li>▪ Among the Committee's Nominees' highest priority will be identifying a new, permanent CEO</li> <li>▪ We recommend that the Board of Directors give consideration to Raphael Benaroya for the position of CEO</li> </ul>

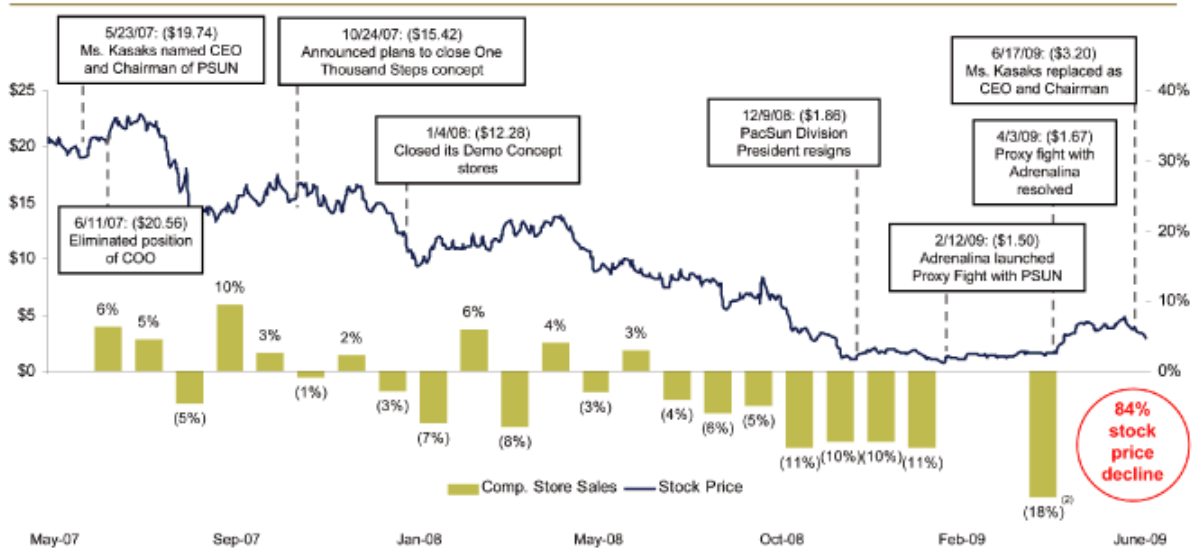
**The Committee's independent Nominees will significantly enhance the Board and will actively work with the Board and management to increase shareholder value**

**The Company's  
Slate Does Not Have  
The Necessary  
Expertise**

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## Incumbent Nominee: Sally F. Kasaks – Track Record Does Not Support Nomination

**Ms. Kasaks was replaced as CEO after she oversaw an 84% erosion in shareholder value at Pacific Sunwear; Ms. Kasaks also oversaw a 27% decline in Ann Taylor's stock price during her tenure as CEO<sup>(1)</sup>**



**If Ms. Kasaks is not good enough to be Chairman and CEO of Pacific Sunwear, is she good enough to be on the Board of The Children's Place?**

<sup>(1)</sup> Ms. Kasaks was CEO of PacSun from 2007 to 2009; she was CEO of Ann Taylor from 1992 to 1999. We note that stock prices can be affected by many factors.  
<sup>(2)</sup> Pacific Sunwear stopped reporting monthly comps in FY 2009

**Incumbent Nominee:  
Norman Matthews – Not the Right Choice**

***Mr. Matthews, 76, brings a less than impressive resume that includes directorship at companies with weak performance and several bankruptcies***

- Last full-time position with a public company was 21 years ago (at Federated Department Stores in 1988)
- We do not believe Mr. Matthews can bring the forward outlook necessary to understanding and preserving the youthful, contemporary image unique to "The Children's Place" brand

Year	Position	Company	Company Bankruptcy	Event
2005	Director	Levitz	✓	Levitz filed for Chapter 11 in October 2005 and was ultimately liquidated
2004	Chairman	Galyan's Trading Company		Reported seven straight quarters of declining same-store sales and 18% decline in share price over 3 years since IPO before being acquired
2001	Director	Lechters Inc.	✓	Resigned less than four months before Chapter 11 filing; Lechters was liquidated in October 2001
1999	Director	Loehmann's, Inc.	✓	Resigned from Board of Directors after Chapter 11 filing

**Do you want someone with this retail track record on your Board?**

## Incumbent Nominee: Malcolm Elvey – Lack of Relevant Expertise

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*Malcolm Elvey has served as a director since 2002*

- Only retail experience was at Metro Cash and Carry over 30 years ago
  - CEO of LimoRes.net, a ground transportation company he helped found in New York (2004 to 2006)
  - Founder of Esquire Communications, Ltd., a court reporting and legal services company
  - A venture capitalist focused on technology companies
- Previous Board member affiliations
  - ADT Ltd. (The Hawley Group), a provider of electronic security systems and services
  - Pritchard Services, a provider of housekeeping services




**Do you believe Mr. Elvey's lack of relevant retail experience provides him with the ability to guide the strategic direction of the Company?**

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## Summary of Incumbent Nominees

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- Ask yourself: Do the incumbent nominees have:
  - the focus to complete the CEO search after 22 months?
  - the requisite skills (i.e. real estate strategy, marketing and branding) to lead the Company in this difficult retail environment?
  - the right track record to protect your investment?
  - the same incentive as shareholders?



**Do you want your investment under the stewardship of the Incumbent Nominees given their track record and lack of requisite expertise?**

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**The Board's  
Economic Interests Are  
Not Adequately Aligned  
With Shareholders**

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## Current Board's Economic Interests are Not Adequately Aligned With Shareholders'

**None of the Company's Nominees have ever purchased a single share of the Company's stock in the open market<sup>(1)</sup>**

- The interests of the Committee, which owns 22% of the Company's outstanding shares, are closely aligned with shareholders<sup>(2)</sup>
- The current Board as a whole owns less than 1% of the shares outstanding<sup>(3)</sup>
- Our Nominees will purchase shares upon election
- We note that The Children's Place stock price
  - is down (4%) from \$25.80 to \$24.86 since Mr. Crovitz's appointment as Interim CEO
  - is down (32%) from \$36.79 to \$24.86 since the beginning of June 2009

### INCUMBENT Nominees

	Shares Beneficially Owned	Percent of Class <sup>(1)</sup>
Sally Frame Kasaks	45,143	0.2%
Malcolm Elvey	30,143	0.1%
Norman S. Matthews	0	0.0%
<b>Total</b>	<b>75,286</b>	<b>0.3%</b>

### COMMITTEE OF CONCERNED SHAREHOLDERS

	Shares Beneficially Owned	Percent of Class <sup>(1)</sup>
Committee	6,445,700	21.8%
<b>Total</b>	<b>6,445,700</b>	<b>21.8%</b>

**Do you want your investment under the stewardship of a group of directors who, unlike you, have never invested their own capital in the Company?**

<sup>(1)</sup> Based on 29,020,114 common shares outstanding as of June 9, 2009

<sup>(2)</sup> While the directors are not legally required to own shares in the Company and otherwise have fiduciary duties to act in the interests of shareholders, the Committee believes shareholders would be better served by a Board that has a greater economic ownership interest in the Company

<sup>(3)</sup> Excludes Mr. Dabeh and Mr. Silverskin

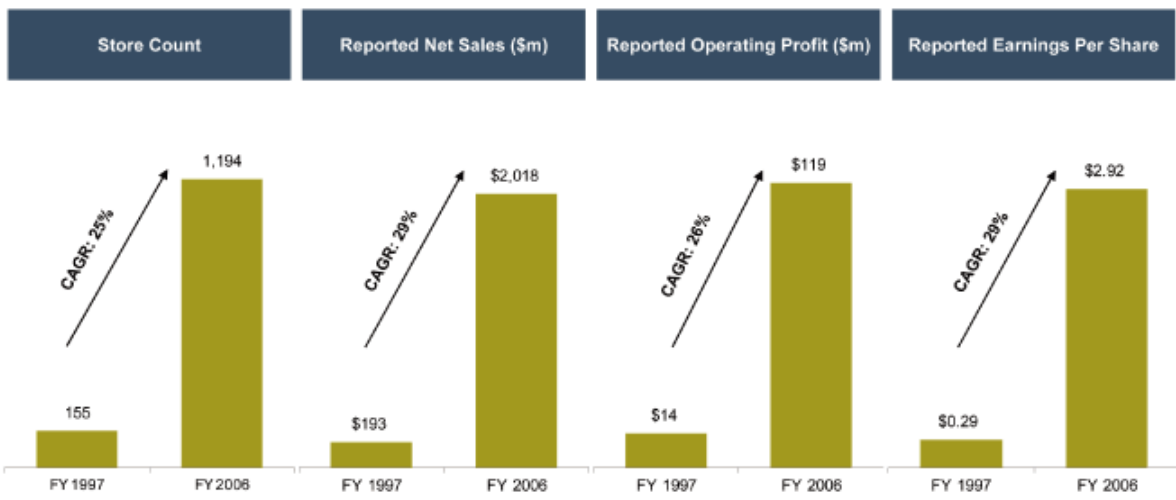


**The Company's Performance And  
Stock Price Have Declined;  
The Time for Change is Now**

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## We Believe the Company's Strong Foundation is Undermined by Inexperienced Interim Management

The Children's Place demonstrated significant growth prior to the current Interim Management team



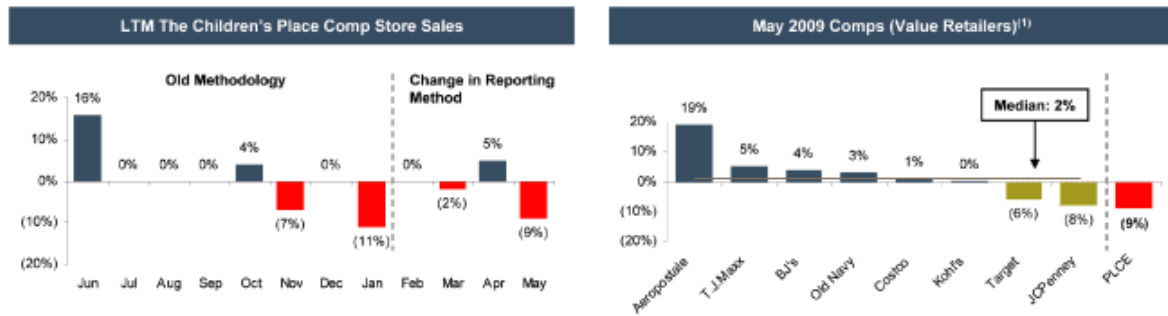
The period from FY 1997 to FY 2006 positioned the Company for Growth...however, the Interim Management team has failed to carry that growth forward

Note: Financials reflect reported results and include Disney store operations

## Recent Weak Sales Should Sound the Alarm for Stockholders

### Recent performance confirms our concerns

- The Company has only reported one month of comp store sales growth since November 2008, culminating with a decline of 9% in May 2009, the worst monthly comparable store sales results over three years (as far back as the Company has disclosed its new comparable store sales methodology)
  - May comp decline is particularly troubling - 11% lower than the median comparable sales of other value retailers
- Investors have taken note of the Company's erratic sales
  - "We expect shares of PLCE to be weak following disappointing May sales as investors examine the company's erratic sales trends the potential for limited gross margin restoration given indications of higher product cost continuing into Q2" – Betty Chan, Wedbush Equity Research
- The Company's stock price has decreased (32%) since the beginning of June 2009



The Committee is concerned that under its **inexperienced interim leadership and complacent Board of Directors**, The Children's Place's **performance cannot be sustained**

(1) Walmart, Gybelson, Tween Brands and Carsons do not report monthly comps; Comps exclude impact of gasoline sales for Bed Bath & Beyond and Costco

## The Company is Masking the Top-line Trend

*In Q4 2008, the Company changed its comparable store sales reporting method to adjust for constant dollars and to include e-commerce sales...*

- This is a highly uncommon practice among specialty retailers
- The new methodology seems to enhance the results as highlighted by the fact that FY 2008 results were 3% better and Q4 2008 results were 6% better as compared to the old methodology

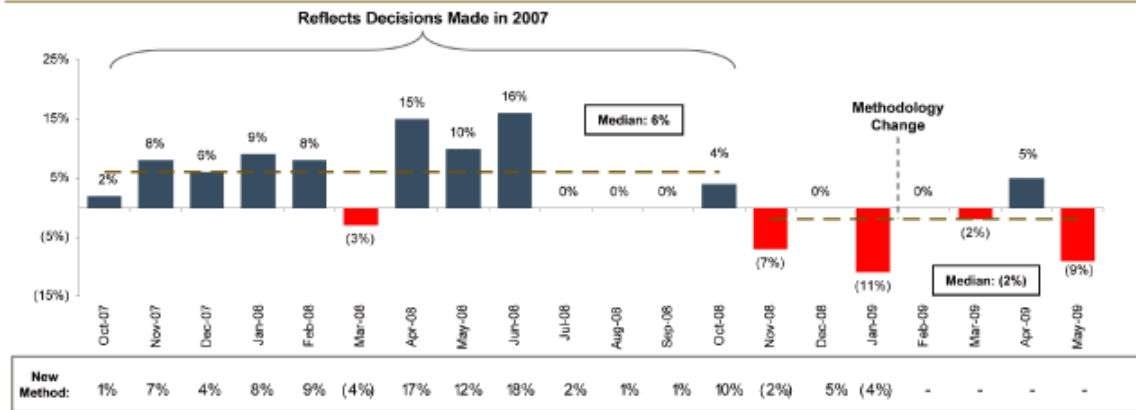


**We do not believe current interim management is being forthright with shareholders regarding recent top-line trends**

## Current Interim Management is Taking Undue Credit for 2008 Results

...and top-line results under current management's "sole influence" have been weak

- Vertically-integrated, specialty retailers, including The Children's Place, design and merchandise their product selection a year in advance of being presented in stores
- Consequently, 2008's successful sales and profitability was overwhelmingly dependent on merchandising, planning, purchasing, and marketing decisions made in 2007



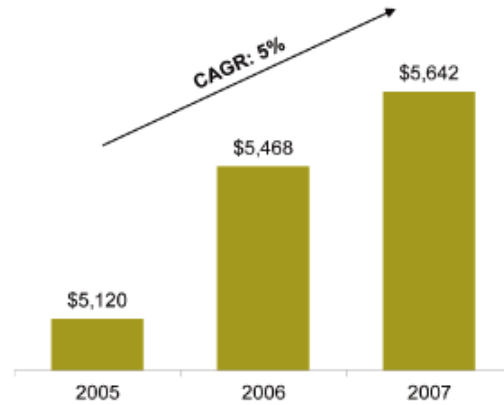
**Current management takes credit for 2008 performance even though it is largely due to decisions that were made in 2007**

## In Our View, Weak Sales are the Direct Result of a Lack of Innovation and Growth Initiatives

*For example, the Board of Directors and Interim Management have not actively pursued the Company's promising footwear initiative*

- Shoe concept launched during back-to-school season in FY 2007 with 54 stores
- Roll-out slowed down to a halt with only four new shoe stores in FY 2008
- Shoe concept is trending towards realizing square footage productivity and profitability of the Company's overall chain average
- The Children's Place has the potential to reach high single digit market share driven by its unique, value, fashion position
- The US Children's Footwear market represents an attractive market opportunity
  - Measured \$5.7 billion 2007, up 3% from 2006
  - Grew at a CAGR of 4.9% between 2005 and 2007

CHILDREN'S US FOOTWEAR MARKET (\$m)<sup>(1)</sup>



**Despite the compelling opportunity the footwear initiative presents, current leadership has not actively pursued the project**

(1) NPD press release dated February 14, 2008

## Loss of Management Talent

***The current Board of Directors and Interim Management have been unable to stem the loss of key valued management talent***

- Most of these departures were due primarily to dissatisfaction with current leadership and the deteriorating corporate culture
- Since Mr. Crovitz became Interim CEO, the Company has been unable to recruit key management talent<sup>(1)</sup>
  - The Company is currently operating without a President, General Merchandise Manager or General Counsel
- The Company failed to retain key Disney Store executives to fill key positions vacated by other executives

Position Lost	Date Lost	Tenure Yrs
President	Dec-07	4
SVP-General Merchandise Manager	Apr-08	1.5
VP-Chief Financial Officer	Aug-08	0.8
SVP-General Counsel	Dec-08	1.2
VP-Investor Relations	May-08	6
VP-Logistics & Distribution	Feb-09	17
VP-Controller	Oct-08	12
VP-Marketing	Feb-09	17
VP-Merchandising	Feb-09	17
President-Disney Store	Jun-08	2
SVP-GMM Disney Store	Jun-08	6

**Our Nominees will work with the Board to stem the loss of creative talent and energy**


<sup>(1)</sup> Other than SVP-Real Estate and SVP-Marketing, both of whom Mr. Dabab introduced before his resignation

## Questionable Management Decisions: Repatriation of Cash

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***We question certain decisions by management and the Board of Directors that have led to shareholder value losses***

- In Q4 2007, Company unnecessarily repatriated cash of ~\$45 million from its Hong Kong subsidiary
- Severely impaired the Company's long-standing tax strategy for years to come and increased the Company's income tax percentage from approximately 37% to 42%
- We estimate this decision destroyed approximately \$53 million in shareholder value<sup>(1)</sup>



**Was the \$45 million repatriation of cash worth destroying  
the Company's long-term tax strategy?**

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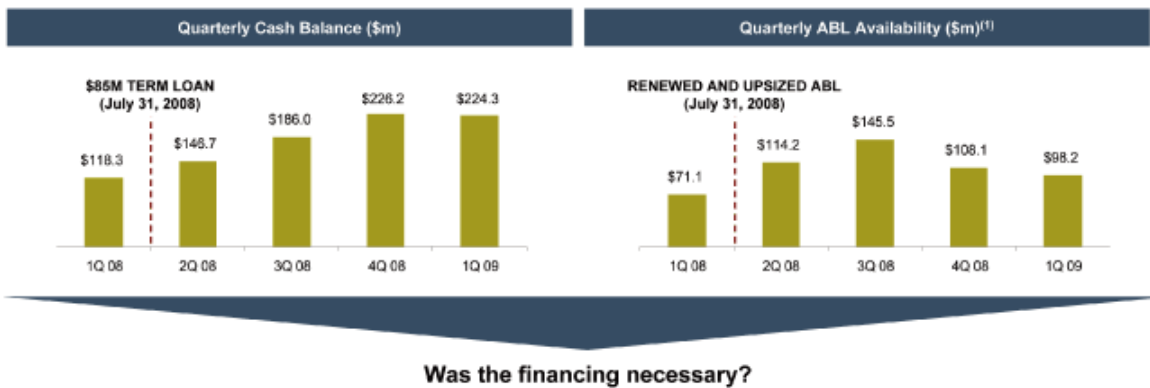
(1) Based on stock price close on July 6th, 2009



## Questionable Management Decisions: Imprudent Financing

*We question certain decisions by management and the Board of Directors, for example:*

- Issued \$85 million term loan in July 2008 despite
  - Average quarterly cash balance FY2008 \$169 million clearly indicates sufficient liquidity available to Company
  - Plus a largely undrawn and underutilized \$200 million ABL
- Company repaid \$47 million through April 2009 (< 9 months after issuance)

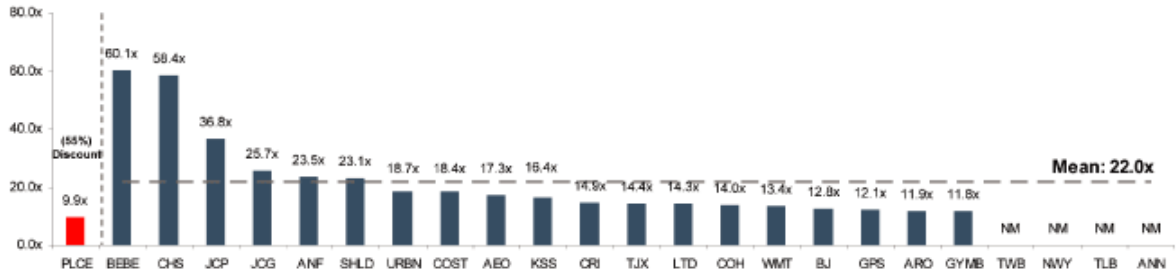


(1) There were no borrowings outstanding at period end for any of the quarters in FY 2008

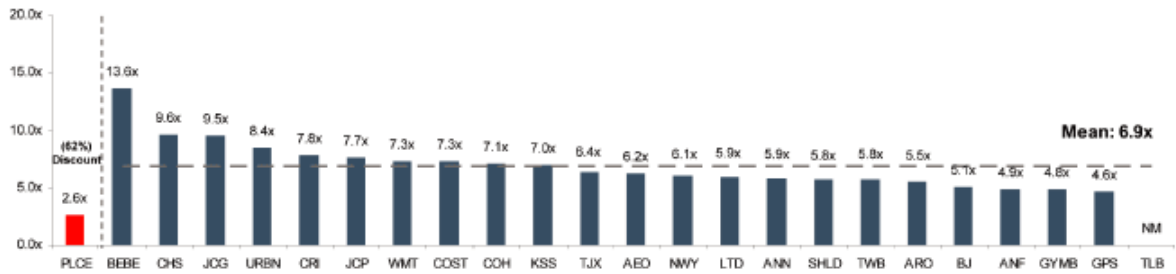
## Interim Management: Weak Relative Valuation

Company stock is trading at a P/E multiple that is approximately 55% of its comparable peer group

### CY 2009E P/E



### EV/CY 2009E EBITDA



Source: Capital IQ  
Stock price as of July 6th, 2009

**There Has Not Been  
Anyone In Charge On  
A Permanent Basis**

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## Company Currently Operating With No Permanent Leadership

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*The Company has been led by an **Interim Chairman** for over two years...*

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### INTERIM CHAIRMAN (30 MONTHS AND COUNTING): SALLY FRAME KASAKS

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- Recently replaced as CEO and Chair of the Board at Pacific Sunwear
- Oversaw significant stock price declines at both Pacific Sunwear and Ann Taylor<sup>(1)</sup> during tenure as CEO
  - Pacific Sun stock declined (84%)
  - Ann Taylor stock declined (27%)
- Chair of Compensation Committee that approved Mr. Crovitz's 2008 compensation
- Failed to find CEO as head of CEO Search Committee



**Why should shareholders be content with an Interim Chairman who, in our view, has a poor track record?  
Isn't it time for a **permanent Chairman**?**

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(1) We note that many factors affect stock price. Ms. Kasaks was CEO of Pacific Sunwear from 2007 to 2009; she was CEO of Ann Taylor from 1992 to 1996

## Company Currently Operating With No Permanent Leadership (cont'd)

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...and an **Interim CEO** for almost two years – and has failed to adequately explain why this is the case

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### INTERIM CEO (22 MONTHS AND COUNTING): CHARLES CROVITZ

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- No previous experience as a CEO
- No previous experience in children's market
- No product development, merchandising, marketing, nor real estate experience
- Has failed to develop sufficient growth initiatives for the Company, in our view
- Excessive compensation for an Interim CEO
  - Attractive perquisites include roundtrip airfare for two to his permanent residence in Martha's Vineyard
  - The compensation committee chaired by Ms. Kasaks deemed it appropriate to increase this perquisite from roundtrip airfare for two on monthly basis to a weekly basis in February 2009

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**It is unacceptable that The Children's Place has been operating with both an **Interim CEO** and **Interim Chairman** (neither of whom permanently resides near the Company's headquarters) for almost two years**

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## Excessive Compensation for an Interim CEO

**The Board of Directors has provided Mr. Crovitz, an *Interim CEO*, excessive compensation that is significantly higher than the compensation of other retail Interim CEOs**

### COMPENSATION OF SELECT OTHER INTERIM CEOs

Company Name	Name	Period Served	Interim CEO Tenure	Revenues (\$mm)	Year	Total Comp <sup>(1)</sup>
Sears Holdings Corporation	Bruce Johnson	02/08 - Present	16 Months	\$46,770	2008	\$1,166,293
Charming Shoppes, Inc.	Alan Rosskamm	07/08 - 04/09	9 Months	2,475	2009	1,474,215
Charlotte Russe Holding, Inc.	Leonard Mogil	07/08 - 11/08	4 Months	823	2008	1,895,036
Eddie Bauer Holdings, Inc.	Howard Gross	02/07 - 06/07	4 Months	1,023	2007	1,169,806
The Gap, Inc.	Robert Fisher <sup>(2)</sup>	01/07 - 07/07	6 Months	14,526	2007	-
<b>Median</b>			<b>6 Months</b>	<b>\$2,475</b>		<b>\$1,169,806</b>

<b>The Children's Place Retail Stores</b>	<b>Charles Crovitz <sup>(3)</sup></b>	<b>09/07 - Present</b>	<b>22 Months</b>	<b>\$1,630</b>	<b>2008</b>	<b>\$3,904,865</b>
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### Observations

- Mr. Crovitz's compensation is **~4x** higher than the median of those listed above (inclusive of his ~\$1 million February 2009 stock award)
- Mr. Crovitz has been Interim CEO **~3.5x** as long as those listed above

**Mr. Crovitz's excessive compensation was approved by the Compensation Committee's chairman, Ms. Kasaks**

<sup>(1)</sup> Total compensation annualized in instances where the term of service was less than one year for the reported proxy amount.  
<sup>(2)</sup> Gap Interim CEO Robert Fisher did not receive any additional compensation for services provided as Interim President and CEO.  
<sup>(3)</sup> Excludes stock award received on February 5, 2009.

## Excessive Compensation for an Interim CEO

Despite his **Interim** status, Mr. Crovitz's compensation is higher than that of other permanent CEOs in the retail industry

### COMPENSATION<sup>(1)</sup>

Company Name	CEO Name	Revenues (\$mm)	Year	Total Comp
Polo Ralph Lauren Corp.	Ralph Lauren	\$5,019	2008	\$34,200,351
Abercrombie & Fitch Co.	Michael S. Jeffries	3,540	2008	15,912,111
Aeropostale Inc.	Julian R. Geiger	1,888	2008	14,184,583
Gymboree Corp.	Matthew K. McCauley	1,001	2008	8,679,762
Chico's FAS Inc.	Scott A. Edmonds <sup>(2)</sup>	1,582	2008	8,662,873
AnnTaylor Stores Corp.	Kay Krill	2,195	2008	7,844,424
The Talbots Inc.	Trudy F. Sullivan	1,495	2008	5,673,854
Charming Shoppes, Inc.	Dorrit J. Bern	2,475	2008	5,297,451
Phillips-Van Heusen Corp.	Emanuel Chirico	2,492	2008	4,670,079
Pacific Sunwear of California Inc.	Sally Frame Kasaks	1,255	2008	4,224,467
The Children's Place Retail Stores, Inc.	Charles Crovitz	1,630	2008	3,904,865
American Eagle Outfitters Inc.	James V. O'Donnell	2,989	2008	3,796,055
Destination Maternity Corporation	Dan W. Matthias <sup>(3)</sup>	565	2008	3,293,325
Bon-Ton Stores Inc.	Byron L. Bergren	3,225	2008	1,931,985
Dress Barn Inc.	David R. Jaffe	1,444	2008	1,688,595
Men's Wearhouse Inc.	George Zimmer	1,972	2007	1,667,224
<b>Median</b>		<b>\$1,929</b>		<b>\$5,083,765</b>

### Observations

- On February 5, 2009, Mr. Crovitz received an additional stock award valued at ~\$1 million - **not** tied to any performance metrics
- Mr. Crovitz's employment contract calls for tax gross-up payments for certain perquisites
- Ms. Kasaks served as chairman of the Compensation Committee at the time of the award

**Ask yourself: How quickly would you act to give up an interim position for which you receive almost \$4 million a year including over \$500,000 in perks?**

<sup>(1)</sup> Represents companies used by the Company to review its compensation practices per Proxy  
<sup>(2)</sup> Ceased serving as CEO effective January 7, 2009; served as CEO for 8 years  
<sup>(3)</sup> Ceased serving as CEO effective September 30, 2005; served as CEO for 15 years

## Excessive Perquisites for an Interim CEO

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**Mr. Crovitz's perquisites are, in our view, excessive and inappropriate for an Interim CEO**

### MR. CROVITZ'S PERQUISITES

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- Mr. Crovitz compensation package includes the following perquisites:
  - Eligibility in all executive benefit plans and eligible to receive and be provided with substantially the same benefits and perquisites as are maintained by the Company
  - **Plus:** transportation service to and from the Company's headquarters
  - **Plus:** temporary living allowance for an apartment in the amount of \$15,500 per month
  - **Plus:** commissions, security deposit and utilities related to the lease of the apartment
  - **Plus:** furniture rental allowance in the amount of \$2,000 per month
  - **Plus:** roundtrip airfare for two to Mr. Crovitz's permanent residence in Martha's Vineyard<sup>(1)</sup>
  - **Plus:** tax gross up payments or payments intended to result in a net after-tax payment, for perquisites including rental costs and relocation and travel costs

**Are Mr. Crovitz's perquisites (approved by the compensation committee chaired by Ms. Kasaks) providing incentives that serve to motivate him to support the search for a permanent CEO?**

(1) Increased from a monthly basis to a weekly basis in February 2009



## **A Fresh Start**


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## Committee Independent Nominee: Raphael Benaroya

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***Extensive retail experience provides the necessary blend of senior-level specialty apparel retailing, mass consumer marketing and branding expertise***

- 25+ years of specialty retail vertically integrated experience
  - Izod Lacoste, The Limited Inc. and United Retail Group
- Thorough understanding of children's marketplace and its target consumers
- Currently Chairman of the Board of Russ Berrie & Company, Inc.
  - Public company specializing in design, import, marketing, and distribution of infant and juvenile consumer products
- Currently Managing Director of American Licensing Group, L.P.
  - Company specializing in consumer goods brand name licensing
- Formerly (until February 2009) Chairman of the Board of FAO Schwarz, subsequent to its emergence from bankruptcy
- Chairman of the Board, President and CEO of United Retail Group (1989 to 2007)
  - Public company vertically integrated specialty retailer
  - Successful sale to PPR (a \$20 billion French conglomerate) in 2007
- Mr. Benaroya earned a BSc (with distinction) in Computer Science and a MBA from the University of Minnesota; and management courses at Harvard



**Mr. Benaroya has extensive specialty retail experience**

## Committee Independent Nominee: Jeremy J. Fingerman

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***Mr. Fingerman will provide the Company with a fresh perspective with regards to its marketing and branding efforts***

- Over 20 years of mass marketing, brand management and product innovation experiences and successes
- Founder and Managing Partner of Clairmont Ventures, a strategic consulting and investment advisory firm focused on transforming brands and businesses.
- Served as Chief Executive Officer and President of R.A.B. Food Group, LLC (May 2005 to September 2007)
  - Grew business more than 50% through organic growth initiatives and acquisitions
- Spent 11 years at Campbell Soup Company, ultimately rising to President of the U.S. Soup Division
  - With responsibility for the company's largest division, he led the revitalization of Campbell's U.S. Soup franchise, generating three consecutive years of consumption growth for the first time in eighteen years
  - As General Manager, Australasia, he led his team to achieve market share leadership for the first time in the company's 30+ year history in Australia
- Rapid progression through key brand management assignments at General Mills, Inc.
- Mr. Fingerman earned MBA in general management from Harvard Business School and undergraduate degree from Columbia University



**Mr. Fingerman has extensive marketing and branding experience with a history of achievement**

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## Committee Independent Nominee: Ross Glickman

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***Mr. Glickman will provide the Company with extensive expertise in retail real estate strategy and current real estate market conditions***

- 35+ years specialty retail and real estate experience
- Currently Chairman of the Board of Directors and CEO of Urban Retail Properties, LLC
  - Development, leasing and management real estate company, specializing in retail shopping centers
  - Approximately 28 million square feet under management
- President of Glickman Properties, a shopping center development firm, prior to joining Urban Retail in 1991
- Director of Real Estate for The Limited, Inc. (1984 to 1989)
  - Responsible for expanding the Company divisions, including Limited Stores, Victoria Secret, Lane Bryant, Lerner, and Size Unlimited
- Director of Real Estate for General Nutrition Centers (1979 to 1984)
  - Expanded from 500 to 1,500 company-owned stores nationwide in only 4 years
- Vice President of The Athlete's Foot
  - Grew the specialty retail athletic footwear chain from one store to 400
- Mr. Glickman holds a Bachelor of Arts degree from The Ohio State University




**Mr. Glickman is a seasoned real estate expert with a demonstrable growth track record of success**

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## Summary of Committee Nominees

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- Each is independent
  - Highly qualified proven executives with no pre-existing social, business or professional relationships with Mr. Dabah
- Possess relevant, hands-on experience in key areas of the business
  - Including specialty apparel retailing, real estate strategy, and mass consumer marketing and branding
- Each possesses much needed insight, accountability, and complementary skills to the Board
- Growth-oriented individuals who will work with other members of the Board to oversee the development and implementation of much needed change and growth initiatives



**The Committee's Nominees will significantly enhance the current composition of the Board,  
focus on driving future growth and work to enhance value for all shareholders**

## Action Plan

*In light of the aforementioned concerns, we believe that the Company must pursue a number of proactive measures to realize its full potential and create meaningful long-term value for all shareholders*

<p><b>Appoint Permanent CEO and New Non-Executive Chairman</b></p>	<ul style="list-style-type: none"> <li>▪ Should be the Board's <b>highest priority</b> <ul style="list-style-type: none"> <li>– The Nominees will recommend Raphael Benaroya for the position of permanent CEO</li> <li>– Mr. Benaroya's expertise will provide vision and leadership to achieve full growth potential</li> </ul> </li> </ul>
<p><b>Articulate a Clear Brand Vision for the Future</b></p>	<ul style="list-style-type: none"> <li>▪ Renewed focus on the Company's core purpose: <b>"Make the very best accessible to all children"</b> to ensure continued, long-term, profitable growth</li> </ul>
<p><b>Retain and Attract Key Talent</b></p>	<ul style="list-style-type: none"> <li>▪ Work to retain and attract key talent as needed</li> <li>▪ Restore the passion, energetic and creative culture which has made the Company successful</li> </ul>
<p><b>Introduce Growth Initiatives</b></p>	<ul style="list-style-type: none"> <li>▪ Work intensively with management to formulate, execute, and articulate potential new growth initiatives                     <ul style="list-style-type: none"> <li>– Communicate a single-minded consistent message across marketing mediums to drive new customers and additional repeat purchases</li> </ul> </li> </ul>
<p><b>Improve Real Estate Position</b></p>	<ul style="list-style-type: none"> <li>▪ Extremely important given the fact that over 41% of the Company's leases will come up for renewal over the next two to three years<sup>(1)</sup></li> </ul>

**We believe that the Company must pursue a number of growth initiatives to realize its full potential and create meaningful long-term value for all shareholders**

Source: Kimberly Greenberger (CR) research report dated March 24, 2009

## Position Company for Growth: New Independent Nominees Are Growth Focused

*The independent Nominees have identified strategies that they believe can achieve significant growth*

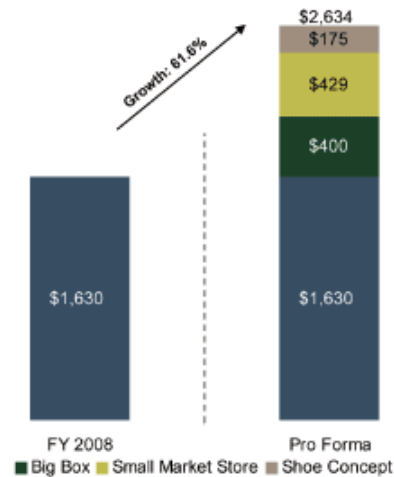
▪ The independent Nominees plan to work with the Board to formulate growth initiatives that will include, but will not be limited to:

- Roll-out of successful Shoe Concept
- Small Market Store Concept
- Big Box Format

▪ Additionally, the Nominees will work to strengthen the existing base by:

- Implementing merchandise initiatives to improve sales per square foot of existing space
- Continuing to roll out new stores
- Aggressively expanding direct-to-consumer business
- Taking advantage of current real estate conditions

POTENTIAL INCREMENTAL SALES (\$m)




**New growth initiatives will be geared towards realizing and increasing shareholder value**

## The Future Value of The Children's Place is at Stake: Your Vote is Important

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- We believe the incumbent slate of Directors lacks the relevant skills and expertise required to lead the Company into the future
- It is unacceptable for The Children's Place to be operating with both an Interim CEO and Interim Chairman for almost two years - the Company's loss of key management talent and its lack of future growth initiatives are the result
- The Committee's Nominees are independent and bring fresh perspective and the relevant expertise and commitment to position the Company for future growth and shareholder value creation



**The value of your investment is at risk! Immediate change is needed.  
We urge you to vote for the Committee's Independent Nominees on the GOLD Proxy card today**

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## **Setting the Record Straight**

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## Setting the Record Straight

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- Mr. Dabah is not a nominee for election – he was elected a director last year by shareholders after having received the unanimous nomination of the Board
- Mr. Dabah is not attempting to gain control of the Company
  - No plans to return as Chairman or CEO
- The Committee has nominated three independent and experienced candidates who will provide expertise in key areas of the Company's business that we believe the current Board lacks, including real estate strategy, marketing and branding experience
- Rather than debate the merits of the respective Nominees, the Company has made a series of false and misleading statements about Mr. Dabah in an attempt to deflect attention from the incumbent Nominees and their track records

## Setting the Record Straight (cont'd)

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<p><b>Company's Misleading Statements</b></p>	<ul style="list-style-type: none"> <li>▪ Mr. Dabah is attempting to gain control of the Company and will have de facto control of the Company if his Nominees are elected to the Board</li> </ul>
<p><b>Facts</b></p>	<ul style="list-style-type: none"> <li>✓ Mr. Dabah is not attempting to gain control of the Company and will not have de facto control of the Company if the Committee's Nominees are elected to the Board</li> <li>✓ Mr. Dabah is exercising his right as a shareholder of the Company to nominate qualified and independent directors to the Board</li> <li>✓ Each of the Committee's Nominees is independent under Nasdaq rules and Mr. Dabah has no preexisting social, business or professional relationship with any of the Committee's Nominees</li> <li>✓ Additionally, if the Committee's Nominees are elected to the Board, Mr. Dabah's father-in-law, Stanley Silverstein, will retire from the Board when his term expires in 2010</li> </ul>
<p><b>Company's Misleading Statements</b></p>	<ul style="list-style-type: none"> <li>▪ Mr. Dabah was forced to resign as CEO of the Company after the Company's auditors determined that they were no longer willing to rely on Mr. Dabah's representations</li> </ul>
<p><b>Facts</b></p>	<ul style="list-style-type: none"> <li>✓ Mr. Dabah's fellow directors did not question his integrity and planned to terminate Deloitte and engage BDO Seidman, which was willing to accept Mr. Dabah's representations. Although the Board considered Deloitte's position unreasonable, Mr. Dabah stepped down as CEO to facilitate the completion of audits and to avoid further delay in completing the Company's SEC filings</li> <li>✓ In fact, Mr. Dabah was offered the opportunity to stay on as senior advisor to the Company</li> </ul>

## Setting the Record Straight (cont'd)

<p><b>Company's Misleading Statements</b></p>	<ul style="list-style-type: none"> <li>▪ Mr. Dabah resigned as CEO in September 2007 under a cloud of securities trading and stock option investigations</li> </ul>
<p><b>Facts</b></p>	<ul style="list-style-type: none"> <li>✓ Mr. Dabah's resignation did not result from the Company's stock option or code of conduct investigations</li> <li>✓ The stock option investigation did not involve back-dating by Mr. Dabah             <ul style="list-style-type: none"> <li>✓ Mr. Dabah had no knowledge of and did not participate in any of the conduct that was investigated</li> <li>✓ The investigation concluded that Mr. Dabah received no options that were not properly approved and was found not to have engaged in any wrongdoing</li> <li>✓ Ms. Kasaks and Mr. Elvey were members of the Compensation Committee, which oversaw the Company's options plans and grant procedures</li> </ul> </li> <li>✓ Mr. Dabah has never traded shares in violation of the Company's internal policies or the securities laws             <ul style="list-style-type: none"> <li>✓ The Audit Committee found that Mr. Dabah merely pledged shares in a customary brokerage margin account without first notifying the Company, and inadvertently failed to report an immaterial increase in his wife's ownership of shares in the Company as a result of the dissolution of a family trust</li> <li>✓ The Board concluded that Mr. Dabah did not obtain any personal benefit</li> </ul> </li> </ul>
<p><b>Company's Misleading Statements</b></p>	<ul style="list-style-type: none"> <li>▪ Mr. Dabah filed a lawsuit to change the date of Annual Stockholder Meeting but the date stands</li> </ul>
<p><b>Facts</b></p>	<ul style="list-style-type: none"> <li>✓ Mr. Dabah brought the lawsuit so that shareholders would have the opportunity to vote for directors without delay, as the Company had not held an annual shareholders meeting in nearly 20 months. As a result of Mr. Dabah's lawsuit, the Company was required, to give shareholders the opportunity to elect five directors rather than two</li> </ul>

## Setting the Record Straight (cont'd)

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### Company's Misleading Statements

- Ross Glickman is conflicted. He receives approximately \$1 million in rent and occupancy fees from the Company and is seeking more PLCE stores

### Facts

- ✓ Urban Retail Properties derives an insignificant amount annually from The Children's Place as a tenant, not \$1 million, and neither Mr. Glickman nor Urban Retail Properties are seeking more PLCE stores

### Company's Misleading Statements

- During fiscal 2008 and fiscal 2009 year-to-date, under the new management team, The Children's Place stock price has increased nearly 40%

### Facts

- ✓ The Company's stock price has remained virtually unchanged since Mr. Crovitz became Interim CEO in September 2007

## **Supplemental Information**

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## Failure to Install a Qualified, Permanent CEO

The Company began looking for a permanent CEO in September 2007...

### TIMELINE OF KEY EVENTS



### Observations

- Mr. Dabah is a member of the CEO Search Committee, but over the last 22 months:
  - No potential CEO candidate has been recommended by the committee for him to interview
  - He has not been asked to attend a single CEO Search Committee meeting to the extent they have taken place nor, to the best of his knowledge, has any other Board member

**It appears to us that the CEO Search Committee has failed to attract a single CEO candidate for this promising company**

## Failure to Install a Qualified, Permanent CEO

*...and is still waffling after almost two years*

<p><b>September 2007</b></p> <p>Source: Dorothy Lakner (CIBC) September 26, 2007</p>	<p><i>"With its CEO out, Board member Chuck Crovitz... is acting CEO, while a search for a new CEO is underway."</i></p>
<p><b>March 2009</b></p> <p>Source: Kimberly Greenberger (Citi) March 24, 2009</p>	<p><i>"Furthermore, Mr. Crovitz also previously commented that he has planned to be Interim CEO for 16-18 months and upon hiring a permanent CEO will return to the Board of Directors. We believe the search could take another 6-12 months."</i></p>
<p><b>May 2009</b></p> <p>Source: Chuck Crovitz, Q1 2009 PLCE Earnings Conference Call</p>	<p><i>"...in terms of the timeframe for the CEO search, we don't have a specific timeframe on that..."</i></p>
<p><b>Observations</b></p>	<ul style="list-style-type: none"> <li>▪ Why would an <b>Interim CEO</b> expect to be in the position for 18 months?</li> <li>▪ The nebulous timeframe for the CEO search was provided 3 months after the Company announced it had completed its strategic review process</li> <li>▪ The Board of Directors should be more focused on finding a permanent CEO</li> </ul>

**The CEO search should be the Board of Director's number one priority –  
We believe it has taken far too long, without satisfactory explanation**



## Position Company for Growth: Store-Within-A-Store Shoe Concept

### **Aggressively roll out the store-within-a-store shoe concept**

- According to NDP Group, Inc., the U.S. children's footwear market totaled \$5.7 billion in 2007<sup>(1)</sup>
- We believe that Senior Management should be aggressively pursuing this significant market opportunity
- Accelerated roll-out of the store-within-a-store shoe concept can be achieved by:
  - Expanding store size as part of remodels at lease expiration
  - Incorporating the store-within-a-store shoe concept into all future stores
  - Expanding existing stores into adjacent space as space becomes available
  - Incorporating the store-within-a-store shoe concept into existing stores where sales per square foot are below the chain average and re-allocating existing space to this initiative
- The Committee believes the large number of upcoming lease renewals (approximately 40% over the next two to three years) and the roll-out of new stores provide an opportunity to extend the store-within-a-store shoe concept to 500 stores by 2013

**POTENTIAL INCREMENTAL SALES (\$m)**



**Store-Within-A-Store Shoe Concept would provide approximately \$175 million in incremental sales, representing a 11% increase over FY 2008 reported sales of \$1,630 million**

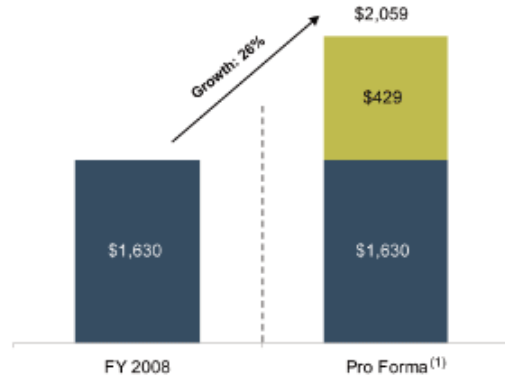
<sup>(1)</sup> Source: NDP press release dated Feb. July 14, 2008  
<sup>(2)</sup> Potential incremental annual sales calculated as 500 stores x 1,000 square feet of shoe selling space x \$350 sales per square foot

## Position Company for Growth: Small Market Store Concept

***This initiative can yield an additional 300-400 stores in North America, over and above the Company's 1,100 to 1,200 store potential***

- We believe the current Board of Director's lack of real estate expertise has diminished the Company's focus on square footage expansion, ignoring the significant expansion opportunities that exist within smaller markets
- Believe this initiative can yield an additional 300-400 stores in North America
- Small market stores would average 4,250 square feet (approximately 25% smaller than the average new store that includes the shoe concept)
- Achieve sales productivity consistent with that of the overall Company store portfolio (\$350 net sales per gross square foot in fiscal year 2008)

POTENTIAL INCREMENTAL SALES (\$m)



**We believe the small market store concept could generate approximately \$429 million in incremental sales, representing a 26% increase over FY 2008 reported sales of \$1,630 million**

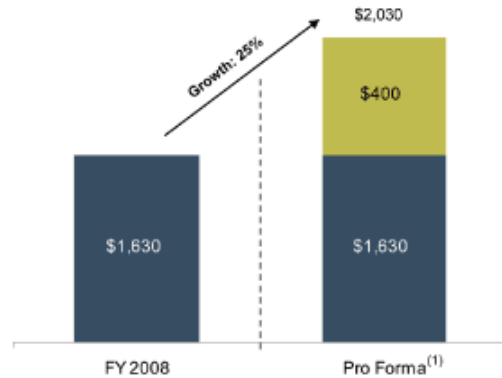
(1) Potential incremental annual sales calculated as 350 stores x 3,500 square feet x \$350 sales per square foot

## Position Company for Growth: Big Box Format

**Unique vertically integrated concept would offer integrated, related and matching apparel and accessories, home furnishings, shoes, with a selection of child development products, all under one roof**

- Provides an opportunity to complete the Company's core purpose "make the very best accessible to all children"
- Unique vertically integrated concept that does not exist today
- Leverage The Children's Place powerful brand attributes of fashion, quality and value
- Offer integrated, related and matching apparel and accessories, home furnishings, shoes, with a selection of child development products, all under one roof
- We believe this could generate approximately \$5 million of sales per store
- We believe capacity exists for 80 big box stores that could be opened through 2013
- Prudent testing before any large roll-out

POTENTIAL INCREMENTAL SALES (\$m)



**The big box concept could generate approximately \$400 million in incremental sales, representing a 25% increase over FY 2008 reported sales of \$1,630 million**

(1) Potential incremental annual sales calculated as 80 stores x \$5 million of sales per store