

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):  
October 9, 2007

THE CHILDREN'S PLACE RETAIL STORES, INC.

(Exact Name of Registrants as Specified in Their Charters)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23071

(Commission File Number)

31-1241495

(IRS Employer Identification No.)

915 Secaucus Road, Secaucus, New Jersey

(Address of Principal Executive Offices)

07094

(Zip Code)

(201) 558-2400

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 4.01 Changes in Registrant's Certifying Accountant

(a) On October 9, 2007, The Children's Place Retail Stores, Inc. (the "Company") was advised by Deloitte & Touche LLP ("Deloitte"), the Company's current independent auditor, that it will not stand for re-election as the Company's independent registered public accounting firm for the fiscal year ending February 2, 2008 ("fiscal 2007"). Deloitte will complete its current engagement as auditor of the Company's financial statements for the three fiscal years in the period ended February 3, 2007 (as to which there is a pending restatement of previously issued financial statements for fiscal 2005 and 2004).

As previously announced, because the financial statements for the fiscal years ended January 29, 2005 and January 28, 2006 are being restated, these financial statements and the related audit reports of Deloitte should no longer be relied upon. Such Deloitte audit reports neither contained any adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles..

During the Company's two most recent fiscal years ended January 28, 2006 and February 3, 2007, and during the subsequent interim period to October 9, 2007, there has been no disagreement between the Company and Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to Deloitte's satisfaction, would have caused Deloitte to make reference to the subject matter of the disagreement in connection with its audit report.

Other than as described below, during the Company's two most recent fiscal years ended January 28, 2006 and February 3, 2007, and during the subsequent interim period to October 9, 2007, there have been no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K).

Prior to the resignation of the Company's former chief executive officer on September 24, 2007, Deloitte advised the Company that it had determined, in its professional judgment, that it was no longer willing to rely on his representations in connection with its audits.

The Company's management has determined, and discussed with Deloitte, in connection with the preparation of the Company's Annual Report on Form 10-K for fiscal 2006 that there are two material weaknesses in the Company's internal control over financial reporting.

As previously disclosed in the Company's January 31, 2007 press release and in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on February 1, 2007, in connection with its internal investigation of option granting practices, the Company found that it did not maintain appropriate governance and other internal controls relating to its option grants. Management has determined that the lack of adequate controls over the granting of stock options and the related documentation constituted a material weakness, which resulted in the use of incorrect accounting measurement dates for certain stock option grants and related errors in recording compensation expense.

As previously disclosed in the Company's August 23, 2007 press release and in a Current Report on Form 8-K filed with the SEC on August 23, 2007, the Company's Audit Committee found that two violations of the Company's Code of Business Conduct by members of the Company's senior management had occurred in the past year. Considering these incidents, taken in the context of other relevant circumstances, management has determined that deficiencies exist in the implementation of the Company's policies and procedures, resulting in a material weakness in the Company's control environment.

A material weakness is a control deficiency, or a combination of control deficiencies, that result in a more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. In connection with the completion of the Company's Annual Report on Form 10-K for fiscal 2006, management will assess the Company's internal control over financial reporting as of the end of fiscal 2006. Because this report has not yet been completed, it is possible that additional material weaknesses in the Company's internal control over financial reporting may yet be identified and be discussed in such report.

The Audit Committee has discussed the subject matter of the above described reportable events with Deloitte.

The Company has furnished a copy of the above disclosure to Deloitte and requested that Deloitte furnish the Company with a letter addressed to the SEC stating whether or not Deloitte agrees with such disclosure. A copy of Deloitte's letter is attached as Exhibit 16.1 to this Current Report on Form 8-K.

The Company continues to work to complete its overdue Annual Report on Form 10-K for fiscal 2006, including its audited financial statements, and its other overdue SEC periodic reports as soon as practicable.

(b) On October 15, 2007, the Company, as approved by the Audit Committee of the Board of Directors, engaged BDO Seidman, LLP ("BDO") as the Company's independent registered public accounting firm for fiscal 2007.

During the Company's two most recent fiscal years ended January 28, 2006 and January 29, 2005, and during the subsequent interim periods preceding the engagement of BDO, the Company did not consult with BDO regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the company's financial statements, and neither a written report was provided to the company nor oral advice was provided that BDO concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is defined in paragraph 304(a)(1)(iv) of Regulation S-K, or a reportable event required to be reported under paragraph 304(a)(1)(v) of Regulation S-K.

In connection with the engagement of BDO, the Company disclosed to BDO the matters described in Item 4.01(a) above.

The Company has authorized Deloitte to respond fully to the inquiries of BDO concerning Deloitte's unwillingness to rely on the representations of the Company's former CEO, with respect to the two material weaknesses in the Company's internal control over financial reporting identified by the Company's management, as referred to above, and also on any other matter pertinent to the Company's financial statements.

On October 11, 2007, the Company issued a press release regarding the decision by Deloitte not to stand for re-election.

A copy of this press release is included as Exhibit 99.1 hereto.

On October 15, 2007, the Company issued a press release regarding the engagement of BDO.

A copy of this press release is included as Exhibit 99.3 hereto.

**Item 8.01 Other Events**

On October 10, 2007, the Company learned that, on October 9, 2007, a stockholder class action was filed in the United States District Court, Southern District of New York, against the Company and certain of its current and former senior executives. The complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, thereby causing the price of the Company's stock to be artificially inflated in violation of provisions of the Securities Exchange Act of 1934, as amended. According to the complaint, more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks, among other relief, class certification of the lawsuit, compensatory damages plus interest, and costs and expenses of the lawsuit, including counsel and expert fees. The complaint has not yet been served on the Company. The Company intends to vigorously contest these allegations and the claims made.

In addition, on October 11, 2007, the Company issued a press release containing its sales results for the five-week period ended October 6, 2007.

A copy of this press release is included as Exhibit 99.2 hereto.

**Item 9.01 Financial Statement and Exhibits.**

(d) Exhibits.

Exhibit 16.1 Letter on change in certifying accountant.

Exhibit 99.1 Press Release dated October 11, 2007 (regarding auditor's decision not to stand for re-election)

Exhibit 99.2 Second Press Release dated October 11, 2007 (regarding sales results).

Exhibit 99.3 Press Release dated October 15, 2007 (regarding appointment of auditors)

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

THE CHILDREN'S PLACE RETAIL STORES, INC.

Date: October 15, 2007

By: /s/ Susan J. Riley

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Name: Susan J. Riley  
Title: Executive Vice President, Finance and Administration

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 16.1	Letter on change in certifying accountant.
Exhibit 99.1	Press Release dated October 11, 2007 (regarding auditor's decision not to stand for re-election)
Exhibit 99.2	Second Press Release dated October 11, 2007 (regarding sales results).
Exhibit 99.3	Press Release dated October 15, 2007 (regarding appointment of auditors)

October 15, 2007

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-7561

Dear Sirs/Madams:

We have read Item 4 of The Children's Place Retail Stores, Inc. Form 8-K dated October 9, 2007 and filed with the Securities and Exchange Commission on October 15, 2007, and have the following comments:

1. We agree with the statements made in first 11 paragraphs in section (a) and the fourth, fifth and sixth paragraphs in section (b) of Item 4.01.
2. We have no basis on which to agree or disagree with the statements made in the last paragraph in section (a) and the first three paragraphs in section (b) of Item 4.01.

Yours truly,

/s/ DELOITTE & TOUCHE LLP  
DELOITTE & TOUCHE LLP

# THE CHILDREN'S PLACE

## FOR IMMEDIATE RELEASE

### **THE CHILDREN'S PLACE RETAIL STORES, INC. ANNOUNCES AUDITOR NOT STANDING FOR RE-ELECTION FOLLOWING COMPLETION OF 2006 FORM 10-K**

*- Company in Discussions to Engage Nationally Recognized Public Accounting Firm for Fiscal 2007 -*

**Secaucus, New Jersey - October 11, 2007 - The Children's Place Retail Stores, Inc. (Nasdaq: PLCE)**, announced that on October 9, 2007, its current independent auditor, Deloitte & Touche LLP, advised that it will not stand for re-election as the Company's auditor for fiscal 2007, ending February 2, 2008. Deloitte & Touche will complete its current engagement as auditor of the Company's financial statements for the three fiscal years in the period ended February 3, 2007 (as to which there is a pending restatement of previously issued financial statements for fiscal 2005 and 2004). Deloitte & Touche's decision not to stand for re-election does not reflect any disagreement between it and the Company regarding any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company stated that it is in discussions with a nationally recognized public accounting firm, which it expects to engage shortly as its independent auditor for fiscal 2007.

The Company continues to work to complete its overdue Annual Report on Form 10-K for fiscal 2006, including its audited financial statements, and its other overdue SEC periodic reports as soon as practicable.

Prior to the resignation of the Company's former chief executive officer on September 24, 2007, Deloitte & Touche advised the Company that it had determined, in its professional judgment, that it was no longer willing to rely on his representations in connection with its audits.

In light of the independent auditor's decision not to stand for re-election, the Company is also reporting that Company management has determined that certain previously disclosed matters will be classified, in the Company's Annual Report on Form 10-K for fiscal 2006, as reflecting two material weaknesses in the Company's internal control over financial reporting:

- As reported in the Company's January 31, 2007, press release, in connection with its internal investigation of option granting practices, the Company found that it did not maintain appropriate governance and other internal controls relating to its option grants. Management has determined that the lack of adequate controls over the granting of stock options and the related documentation constituted a material weakness, which resulted in the use of incorrect accounting measurement dates for certain stock option grants and related errors in recording compensation expense.
- As reported in the Company's August 23, 2007, press release, two violations of the Company's Code of Business Conduct by members of the Company's senior management had occurred in the past year. Considering these incidents, taken in the context of other relevant circumstances, management has determined that deficiencies exist in the implementation of the Company's policies and procedures, resulting in a material weakness in the Company's control environment.

A material weakness is a control deficiency, or a combination of control deficiencies, that result in a more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. In connection with the completion of the Company's Annual Report on Form 10-K for fiscal 2006, management will assess the Company's internal control over financial reporting as of the end of fiscal 2006. Because this report has not yet been completed, it is possible that additional material weaknesses in the Company's internal control over financial reporting may yet be identified and be discussed in such report.

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In a separate announcement made today, the Company reported final sales results for the five-week period ended October 6, 2007.

The Children's Place Retail Stores, Inc. is a leading specialty retailer of children's merchandise. The Company designs, contracts to manufacture and sells high-quality, value-priced merchandise under the proprietary "The Children's Place" and licensed "Disney Store" brand names. As of October 6, 2007, the Company owned and operated 899 The Children's Place stores and 328 Disney Stores in North America and its online stores, [www.childrensplace.com](http://www.childrensplace.com) and [www.disneystore.com](http://www.disneystore.com).

*This press release may contain certain forward-looking statements regarding future circumstances. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements including, in particular, the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission, as well as the risks and uncertainties relating to the Company's stock option granting practices and the completed investigation by the special committee of the Company's Board of Directors, the previously announced pending restatement of the Company's historical financial statements, the delays in filing the Company's periodic reports with the Securities and Exchange Commission, the pending NASDAQ proceedings regarding the Company's continued listing, the outcome of the informal investigation of the Company being conducted by the Securities and Exchange Commission, potential other governmental proceedings, the shareholder litigation commenced against the Company and certain of its officers and directors, and the potential impact of each of these matters on the Company. Actual results, events, and performance may differ. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.*

CONTACT: The Children's Place Retail Stores, Inc.

Investors: Susan Riley, EVP, Finance and Administration (201) 558-2400  
Heather Anthony, Sr. Director, Investor Relations, (201) 558-2865  
Media: Cara O'Brien/Leigh Parrish, FD, 212-850-5600

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# THE CHILDREN'S PLACE

**FOR IMMEDIATE RELEASE**

## THE CHILDREN'S PLACE RETAIL STORES, INC. REPORTS FINAL SEPTEMBER SALES

~ Consolidated Sales Up 4% ~

~ Consolidated Comparable Store Sales Down 3% ~

**Secaucus, New Jersey - October 11, 2007 - The Children's Place Retail Stores, Inc. (Nasdaq: PLCE)** today announced sales results for the five-week period ended October 6, 2007.

Total sales for the five-week period ended October 6, 2007, increased 4% to \$217.8 million compared to sales of \$210.3 million for the five-week period ended September 30, 2006. Consolidated comparable store sales decreased 3%. During September, the Company opened 10 Children's Place stores.

Total Sales (millions):

	September 2007	September 2006	% Increase	Year-to-Date 2007	Year-to-Date 2006	% Increase
The Children's Place brand	\$ 157.1	\$ 153.0	3%	\$ 944.0	\$ 860.2	10%
Disney Store	\$ 60.7	\$ 57.2	6%	\$ 362.8	\$ 327.5	11%
<b>Total Company</b>	<b>\$ 217.8</b>	<b>\$ 210.3</b>	<b>4%</b>	<b>\$ 1,306.8</b>	<b>\$ 1,187.7</b>	<b>10%</b>

Comparable Store Sales Increase/(Decrease)<sup>1</sup>:

	September 2007	September 2006	Year-to-Date 2007	Year-to-Date 2006
The Children's Place brand	(2)%	20%	1%	14%
Disney Store	(6)%	7%	2%	15%
<b>Total Company</b>	<b>(3)%</b>	<b>16%</b>	<b>1%</b>	<b>14%</b>

On October 9, 2007, the Company commented that given its sales and margin results it now anticipates earnings per share to fall well below its previous guidance given on August 23, 2007. For further information, please see the Company's October 9th press release.

In a separate press release this morning, the Company announced that its auditor will not stand for re-election following the completion of the Company's fiscal 2006 Form 10-K. The Company is in discussions with a nationally recognized public accounting firm, which it expects to engage shortly as its independent auditor for fiscal 2007.

- more -

915 Secaucus Road • Secaucus • NJ 07094 • 201 558 2400

In conjunction with today's September sales release, you are invited to listen to the Company's pre-recorded monthly sales call, which will be available beginning at 7:30 a.m. Eastern Time today through Thursday, October 18, 2007. To access the call, please dial (402) 220-2662 or you may listen through the Investor Relations section of the Company's website, [www.childrensplace.com](http://www.childrensplace.com).

The Children's Place Retail Stores, Inc. is a leading specialty retailer of children's merchandise. The Company designs, contracts to manufacture and sells high-quality, value-priced merchandise under the proprietary "The Children's Place" and licensed "Disney Store" brand names. As of October 6, 2007, the Company owned and operated 899 The Children's Place stores and 328 Disney Stores in North America and its online stores, [www.childrensplace.com](http://www.childrensplace.com) and [www.disneystore.com](http://www.disneystore.com).

<sup>1</sup> As previously announced, due to the extra week in fiscal 2006, the Company's fiscal 2007 comparable store sales have shifted by one week as compared to the corresponding period of fiscal 2006. References made today and going forward regarding last year's comparable store sales results, in view of the shift, will be on the "adjusted" basis. For a breakdown of the Company's fiscal 2006 comparable store sales on an "as reported" and "as adjusted" basis, please refer to the Company's March 8, 2007, press release.

*This press release (and above referenced call) may contain certain forward-looking statements regarding future circumstances. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements including, in particular, the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission, as well as the risks and uncertainties relating to the Company's stock option granting practices and the completed investigation by the special committee of the Company's Board of Directors, the previously announced pending restatement of the Company's historical financial statements, the delays in filing the Company's periodic reports with the Securities and Exchange Commission, the pending NASDAQ proceedings regarding the Company's continued listing, the outcome of the informal investigation of the Company being conducted by the Securities and Exchange Commission, potential other governmental proceedings, the shareholder litigation commenced against the Company and certain of its officers and directors, and the potential impact of each of these matters on the Company. Actual results, events, and performance may differ. Readers (or listeners on the call) are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.*

CONTACT: The Children's Place Retail Stores, Inc.

Investors: Heather Anthony, Sr. Director, Investor Relations, (201) 558-2865  
Susan LaBar, Manager, Investor Relations, (201) 453-6955

Media: Cara O'Brien/Leigh Parrish, FD, 212-850-5600

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# THE CHILDREN'S PLACE

## FOR IMMEDIATE RELEASE

### THE CHILDREN'S PLACE RETAIL STORES, INC. ENGAGES BDO SEIDMAN, LLP AS ITS AUDITOR FOR FISCAL 2007

Secaucus, New Jersey - October 15, 2007 - The Children's Place Retail Stores, Inc. (Nasdaq: PLCE), announced that the Audit Committee of its Board of Directors has engaged BDO Seidman, LLP as the Company's new independent registered public accounting firm for the current fiscal year ending February 2, 2008. Deloitte & Touche LLP is continuing to serve as the Company's auditor with respect to the Company's financial statements for the three fiscal years in the period ended February 3, 2007 (as to which there is a pending restatement of previously issued financial statements for fiscal 2005 and 2004).

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