

CHRISTOPHER & BANKS CORP  
Form SC 14D9  
July 25, 2012

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## SCHEDULE 14D-9

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SOLICITATION/RECOMMENDATION STATEMENT  
UNDER SECTION 14(d)(4) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Amendment No. )

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**Christopher & Banks Corporation**

(Name of Subject Company)

**Christopher & Banks Corporation**

(Names of Persons Filing Statement)

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**Common stock, \$0.01 par value**

(Title of Class of Securities)

**171046105**

(CUSIP Number of Class of Securities)

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**Luke R. Komarek**

**Senior Vice President & General Counsel**

**Christopher & Banks Corporation**

**2400 Xenium Lane North  
Plymouth, MN 55441**

**(763) 551-5000**

(Name, address and telephone number of person authorized to receive  
notices and communications on behalf of the persons filing statement)

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With copies to:

**Robert A. Rosenbaum  
Jonathan A. Van Horn**

**Dorsey & Whitney LLP**

**50 S. Sixth Street, Suite 1500**

**Minneapolis, MN 55402**

**(612) 340-2600**

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x Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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On July 25, 2012, Christopher & Banks Corporation (the Company) issued the following press release:

**FOR IMMEDIATE RELEASE**

2400 Xenium Lane North, Plymouth, MN 55441 • (763) 551-5000 • www.christopherandbanks.com

FOR: Christopher & Banks Corporation

COMPANY CONTACT: Peter G. Michielutti  
Senior Vice President  
Chief Financial Officer  
(763) 551-5000

INVESTOR RELATIONS CONTACT: Investor Relations:  
Jean Fontana  
ICR, Inc.  
(646) 277-1214

**Christopher & Banks Provides Outlook for Second Fiscal Quarter**

*Strategic Marketing and Merchandising Initiatives Showing Progress*

*Second Quarter Earnings to be Announced August 29, 2012*

Minneapolis, MN, July 25, 2012 Christopher & Banks Corporation (NYSE: CBK), a specialty women's apparel retailer, today announced updated financial expectations for its second fiscal quarter ending July 28, 2012.

Comparable store sales for the second fiscal quarter, as compared to the same period last year, are anticipated to increase 5% to 5.5%. The increase in comparable store sales reflects an improved sell-through rate of merchandise and increased traffic resulting in a higher number of transactions per store, and a slight increase in average units sold offset somewhat by a modest decrease in average total sales per transaction.

Sales for the quarter are expected to be \$102 million to \$103 million, as compared to sales of \$105.6 million for the comparable period last year, despite operating on average 113, or 14%, fewer stores during the quarter as compared to the same period last year.

Total gross margin for the second fiscal quarter is expected to be between 26.2% and 26.4%, compared to last year's rate of 32.3% for the comparable period and 23.1% in the first quarter of fiscal 2012. The sequential improvement is the result of both lower occupancy expense as well as positive leverage related to the higher sales.

Average in-store inventory per store is expected to be up approximately mid-single digits at the end of the second fiscal quarter, as compared to the same period last year. At the end of the first fiscal quarter, average in-store inventory per store was up 22% year-over-year.

The Company expects cash and cash equivalents to be in the range of \$39 million to \$40 million at the end of the second fiscal quarter, as compared to \$33.7 million at the end of this year's first fiscal quarter.

Joel Waller, President and Chief Executive Officer, commented, "While we remain in the early stages of our turnaround plan, our initiatives are gaining traction. Our new merchandising and marketing strategies are beginning to show progress. Meanwhile, strategic initiatives underway to reinvigorate sales through in-store merchandise presentation and optimization of our selling staff are also yielding improved performance. We believe that the implementation of these strategies led to the significant sequential improvement in comparable store sales and gross margin results. We believe that as we continue to execute our turnaround strategy and strengthen our market position, Christopher & Banks will be positioned to deliver improved sales and earnings results."

An investor presentation providing an overview of the Company's strategic initiatives and recent performance will be available later today on the Christopher & Banks website at [www.christopherandbanks.com](http://www.christopherandbanks.com), following its filing with the Securities and Exchange Commission.

The Company will provide further commentary on its second fiscal quarter as part of its second quarter 2012 earnings release and conference call which is scheduled for August 29, 2012. Further details regarding the conference call will be announced on or about August 15, 2012.

#### **About Christopher & Banks**

Christopher & Banks Corporation is a Minneapolis-based specialty retailer of women's clothing. As of July 25, 2012, the Company operates 653 stores in 44 states consisting of 386 Christopher & Banks stores, 177 stores in their women's plus size clothing division CJ Banks, 65 dual stores and 25 outlet stores. The Company also operates the [www.ChristopherandBanks.com](http://www.ChristopherandBanks.com) and [www.CJBanks.com](http://www.CJBanks.com) e-commerce websites.

#### **Additional Information and Where to Find It**

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. No tender offer for the shares of Christopher & Banks Corporation (the "Company") has commenced at this time. If a tender offer is commenced, the Company will file a solicitation/recommendation statement on Schedule 14D-9 with the U.S. Securities and Exchange Commission ("SEC"). INVESTORS AND STOCKHOLDERS OF THE COMPANY ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by the Company through the website maintained by the SEC.

at <http://www.sec.gov>. In addition, documents filed with the SEC by the Company may be obtained free of charge by contacting Luke Komarek, Corporate Secretary, at 763-551-5000.

### Forward-Looking Statements

*Certain statements in this press release are forward-looking statements. The forward-looking statements may use the words "expect", "anticipate", "plan", "intend", "project", "believe" and similar expressions and include statements (i) that comparable store sales for the second fiscal quarter, as compared to the same period last year, are now anticipated to increase 5% to 5.5%; (ii) that sales for the quarter are expected to be \$102 million to \$103 million, as compared to sales of \$105.6 million the comparable period last year; (iii) that total gross margin for the second fiscal quarter is expected to be between 26.2% and 26.4%, compared to last year's rate of 32.3% for the comparable period and 23.1% in the first quarter of fiscal 2012; (iv) that average in-store inventory per store is expected to be up approximately mid-single digits at the end of the second fiscal quarter, as compared to the same period last year; (v) that the Company expects cash and cash equivalents to be in the range of \$39 million to \$40 million at the end of the second fiscal quarter, as compared to \$33.7 million at the end of this year's first fiscal quarter; and (vi) that the Company believes that as it continues to execute its turnaround strategy and strengthens its market position, it will be positioned to deliver improved sales and earnings results. These statements are based on management's current expectations and are subject to a number of uncertainties and risks, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, but are not limited to: (i) the inherent difficulty in forecasting consumer buying and retail traffic patterns which may be affected by factors beyond our control, such as a weakness in overall consumer demand; adverse weather, economic or political conditions; and shifts in consumer tastes or spending habits that result in reduced sales; (ii) lack of acceptance of the Company's fashions, including its seasonal fashions; (iii) the ability of the Company's infrastructure and systems to adequately support our operations; (iv) the effectiveness of the Company's brand awareness, marketing programs and efforts to enhance the in-store experience; (v) the possibility that, because of poor customer response to our merchandise, management may determine it is necessary to sell merchandise at lower than expected margins or at a loss; (vi) the failure to successfully implement the Company's strategic and tactical plans; (vii) general economic conditions could lead to a reduction in store traffic and in consumer spending on women's apparel; (viii) fluctuations in the levels of the Company's sales, expenses or earnings; and (ix) risks associated with the performance and operations of the Company's Internet operations.*

*Readers are cautioned not to place undue reliance on these forward-looking statements which are based on current expectations and speak only as of the date of this release. The*

*Company does not assume any obligation to update or revise any forward-looking statement at any time for any reason.*

*Certain other factors that may cause actual results to differ from such forward-looking statements are included in the Company's periodic reports filed with the Securities and Exchange Commission and available on the Company's website under "Investor Relations" and you are urged to carefully consider all such factors.*

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The Company began meeting with certain analysts and investors or their representatives in one-on-one meetings commencing on July 25, 2012. The presentation materials for those meetings follow:

















































