

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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)

January 15, 2007

THE CHILDREN'S PLACE RETAIL STORES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

0-23071

(Commission
File Number)

31-1241495

(IRS Employer ID
Number)

915 Secaucus Road, Secaucus, New Jersey

(Address of principal executive offices)

07094

(Zip Code)

Registrant's Telephone Number, including area code:

(201) 558-2400

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:

- 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))
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Item 8.01. Other Events.

On January 15, 2007, The Children's Place Retail Stores, Inc. (the "Company") learned that a stockholder derivative action was filed on January 9, 2007 against certain members of the Company's board of directors and certain current and former senior executives of the Company in the United States District Court, District of New Jersey. The Company has been named as a nominal defendant. The complaint, which was served on the Company on January 17, 2007, alleges, among other things, that certain of the Company's current and former officers and directors (i) breached their fiduciary duties to the Company and its stockholders and were unjustly enriched by improperly backdating certain grants of stock options to officers and directors of the Company, (ii) caused the Company to file false and misleading statements with the Securities and Exchange Commission (the "SEC"), (iii) violated the Securities Exchange Act of 1934, Delaware law and New Jersey law, (iv) caused the Company to issue false and misleading financial statements and (v) were negligent and abdicated their responsibilities to the Company and its stockholders. The complaint seeks money damages, an accounting by the defendants for the proceeds of sales of any backdated stock options, and the costs and disbursements of the lawsuit, as well as equitable relief. The Company's Board of Directors and management intend to review the allegations in this lawsuit and will respond appropriately.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, 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.

By: /s/ Susan Riley

Name: Susan Riley, Senior Vice President,
Chief Financial Officer

Dated: January 18, 2007