
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 29549

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): April 1, 2008

THE CATO CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State of Other Jurisdiction of Incorporation)

1-31340

(Commission File Number)

56-0484485

(IRS Employer Identification No.)

8100 Denmark Road, Charlotte, North Carolina

(Address of Principal Executive Offices)

28273-5975

(Zip Code)

(704) 554-8510

(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:

- 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On April 1, 2008, the Compensation Committee of the Board of Directors (the “Committee”) of The Cato Corporation (the “Company”) met and took various actions as described below with respect to the compensation of the Company’s executive officers.

The base salaries of the executive officers were established for the fiscal year ending January 31, 2009 (“Fiscal 2008”). John P. D. Cato, Chairman, President and Chief Executive Officer, will receive a base salary of \$1,000,000; B. Allen Weinstein, Executive Vice President, Chief Merchandising Officer, will receive a base salary of \$562,500; Howard A. Severson, Executive Vice President, Chief Real Estate and Store Development Officer, will receive a base salary of \$304,000; and Michael T. Greer, Executive Vice President, Director of Stores, will receive a base salary of \$275,000.

In addition, pursuant to the Company’s 2004 Incentive Compensation Plan (the “Plan”), the Committee established the performance measure and potential cash award opportunities for the executive officers for Fiscal 2008. The performance measure for a cash award is the achievement of a specified level of net income in Fiscal 2008. Awards under the Plan would be based on Fiscal 2008 base salary and can range from 0% to 150% of base salary for Mr. Cato, and from 0% to 75% of base salary for Messrs. Weinstein, Severson and Greer.

Pursuant to the Plan, the Committee also made non-performance based restricted stock awards to the executive officers. Grants of restricted stock will be made to the executive officers as of May 1, 2008. Such awards are based on base salary for the fiscal year ended February 2, 2008 and based on 70% of base salary for Mr. Cato, 35% of base salary for Mr. Weinstein, and 25% of base salary for Messrs. Severson and Greer. The restricted stock granted for Fiscal 2008 will vest 33% each on the third and fourth anniversary of the date of grant and 34% on the fifth anniversary of the date of grant. All grants of restricted stock for Fiscal 2008 were based on a price per share of \$16.47.

The Committee took no action with regard to Thomas W. Stoltz, the Company’s Executive Vice President and Chief Financial Officer, due to his announced resignation as an employee of the Company, which will be effective April 18, 2008.

SIGNATURES

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.

April 7, 2008
Date

April 7, 2008
Date

THE CATO CORPORATION

/s/ John P. D. Cato
John P. D. Cato
Chairman, President and
Chief Executive Officer

/s/ Thomas W. Stoltz
Thomas W. Stoltz
Executive Vice President,
Chief Financial Officer