

KIRKLAND'S, INC
Form 8-K
April 14, 2008

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):

April 11, 2008

Kirkland's, Inc.

(Exact name of registrant as specified in its charter)

Tennessee

000-49885

621287151

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

431 Smith Lane, Jackson, Tennessee

38301

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

731-988-3600

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.

In connection with the continued employment of Mike Madden as Senior Vice President and Chief Financial Officer of Kirkland's, Inc. (the "Company"), the Company entered into a letter agreement (the "Agreement"), effective as of April 11, 2008 with Mr. Madden. Under the Agreement, if Mr. Madden's service with the Company is terminated for "cause" or if he resigns for "good reason" (both as defined in the Agreement), the Company will continue his base salary for a period of six months following his separation and subsidize his COBRA premium costs for a period of six months to the same extent that it subsidized the cost of his group health insurance immediately prior to his separation. In order to receive the payments provided for under the Agreement, Mr. Madden will be required to enter into a general release of claims.

The foregoing description of the Agreement is qualified in its entirety by the full text of the Agreement, a copy of which is filed as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following is filed as an exhibit to this current report:

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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.

Kirkland's, Inc.

April 14, 2008

By: */s/ W. Michael Madden*

Name: W. Michael Madden

Title: Senior Vice President and Chief Financial Officer

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Exhibit Index

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Letter Agreement by and between Mike Madden and Kirkland's Inc., dated April 11, 2008 |