

A.C. Moore Arts & Crafts, Inc.
Form DEF 14A
July 24, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

A.C. Moore Arts & Crafts, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

A.C. MOORE ARTS & CRAFTS, INC.
130 A.C. MOORE DRIVE
BERLIN, NEW JERSEY 08009
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD AUGUST 20, 2009

To the Shareholders of A.C. Moore Arts & Crafts, Inc.:

The 2009 Annual Meeting of Shareholders (referred to as the 2009 Annual Meeting) of A.C. Moore Arts & Crafts, Inc. (referred to as A.C. Moore, we, us or our) will be held on Thursday, August 20, 2009, at 9:30 a.m., prevailing time, at A.C. Moore s corporate offices, located at 130 A.C. Moore Drive, Berlin, New Jersey, 08009 for the purpose of considering and acting upon the following:

1. to elect two Class A directors to hold office for a term of three years and until each of their respective successors is duly elected and qualified, as described in the accompanying proxy statement;
2. to ratify the appointment of PricewaterhouseCoopers LLP as A.C. Moore s independent registered public accounting firm for the fiscal year ending January 2, 2010;
3. to approve an amendment to A.C. Moore s 2007 Stock Incentive Plan to increase the authorized number of shares; and
3. to transact such other business as may properly come before the 2009 Annual Meeting or any adjournment or postponement thereof.

Important Notice Regarding the Availability of Proxy Materials for the 2009 Annual Meeting to be Held on August 20, 2009. Pursuant to rules of the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This proxy statement and our fiscal 2008 Annual Report are available at <http://www.stocktrans.com/eproxy/acmoore>.

Only shareholders of record at the close of business on July 17, 2009 are entitled to receive the notice of, and to vote at, the 2009 Annual Meeting or any adjournment or postponement thereof.

If the 2009 Annual Meeting is adjourned for one or more periods aggregating at least 15 days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in this Notice of the 2009 Annual Meeting.

In order to vote your shares, you may attend the 2009 Annual Meeting and vote in person, or vote by proxy. If you are a shareholder of record (that is, if your stock is registered in your name), you may vote by telephone or electronically through the Internet, by following the instructions included with your proxy card. The deadline for voting by telephone or electronically through the Internet is 11:59 p.m., prevailing time, on August 19, 2009. If you vote by telephone or electronically through the Internet, you do not need to return your proxy card. If your shares are held in street name (that is, if your stock is registered in the name of your broker, bank or other nominee), please check your proxy card or contact your broker, bank or nominee to determine whether you will be able to vote by telephone or electronically through the Internet.

YOU ARE CORDIALLY INVITED TO ATTEND THE 2009 ANNUAL MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE 2009 ANNUAL MEETING IN PERSON, YOU ARE URGED TO VOTE YOUR SHARES PROMPTLY TO ENSURE THEY ARE REPRESENTED AT THE 2009 ANNUAL MEETING. YOU MAY SUBMIT YOUR PROXY VOTE BY TELEPHONE OR ELECTRONICALLY THROUGH THE INTERNET AS DESCRIBED IN THE FOLLOWING MATERIALS OR BY COMPLETING AND SIGNING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE SELF-ADDRESSED ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

By Order of the Board of Directors
Amy Rhoades
Corporate Secretary

Berlin, New Jersey
July 24, 2009

**A.C. MOORE ARTS & CRAFTS, INC.
130 A.C. MOORE DRIVE
BERLIN, NEW JERSEY 08009
(856) 768-4930**

**PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS**

The Board of Directors (referred to as the Board) of A.C. Moore Arts & Crafts, Inc. (referred to as A.C. Moore) is soliciting proxies for use at the 2009 Annual Meeting of Shareholders (referred to as the 2009 Annual Meeting) and any adjournment or postponement of the 2009 Annual Meeting. This proxy statement and accompanying proxy card are first being mailed or given to shareholders on or about July 24, 2009.

QUESTIONS AND ANSWERS ABOUT THE 2009 ANNUAL MEETING AND VOTING

When is the 2009 Annual Meeting and where will it be held?

The 2009 Annual Meeting will be held on Thursday, August 20, 2009, at 9:30 a.m., prevailing time, at A.C. Moore s corporate offices, located at 130 A.C. Moore Drive, Berlin, New Jersey 08009.

What is the purpose of the 2009 Annual Meeting?

At the 2009 Annual Meeting, shareholders will consider and act upon the matters outlined in the Notice of the 2009 Annual Meeting, including:

- election of two Class A directors;
- ratification of the appointment of PricewaterhouseCoopers LLP (referred to as PricewaterhouseCoopers) as the independent registered public accounting firm of A.C. Moore for the fiscal year ending January 2, 2010;
- approval of an amendment to A.C. Moore s 2007 Stock Incentive Plan to increase the authorized number of shares; and
- such other business as may properly come before the 2009 Annual Meeting or any adjournment or postponement of the 2009 Annual Meeting.

The nominees for director are Joseph F. Coradino and Thomas S. Rittenhouse. All nominees currently serve as directors of A.C. Moore.

Who is entitled to vote at the 2009 Annual Meeting?

The Board has set July 17, 2009 as the record date for the 2009 Annual Meeting (referred to as the Record Date). If you were a shareholder of record, as shown on the stock transfer books of A.C. Moore, at the close of business on the Record Date, you are entitled to receive the notice of, and to vote at, the 2009 Annual Meeting or any adjournment or postponement of the 2009 Annual Meeting. Each share of A.C. Moore common stock, no par value per share (referred to as Common Stock), is entitled to one vote on each matter which may be brought before the 2009 Annual Meeting.

On the Record Date, there were 24,719,952 shares of Common Stock issued and outstanding and, therefore, eligible to vote at the 2009 Annual Meeting.

How many shares must be present to hold the 2009 Annual Meeting?

The holders of a majority of the outstanding shares of Common Stock as of the Record Date must be present, in person or represented by proxy, at the 2009 Annual Meeting in order to hold the 2009 Annual Meeting and conduct business. This is called a quorum. If you submit a properly executed proxy card, vote by telephone or electronically through the Internet, then your shares will be counted as part of the quorum. All shares of A.C. Moore's Common Stock present in person or represented by proxy (including broker non-votes) and entitled to vote at the 2009 Annual Meeting, no matter how they are voted or whether they abstain from voting, will be counted in determining the presence of a quorum.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

If the 2009 Annual Meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the 2009 Annual Meeting is adjourned for one or more periods aggregating at least 15 days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened 2009 Annual Meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the Notice of the 2009 Annual Meeting.

What vote is required for the election of directors or for a proposal to be approved?

The election of directors will be determined by a plurality vote and the two nominees receiving the most for votes will be elected. Approval of any other proposal will require the affirmative vote of a majority of the votes cast on the proposal.

How do I vote my shares?

In order to vote your shares, you may attend the 2009 Annual Meeting and vote in person, or vote by proxy. If your shares are held in street name (that is, if your stock is registered in the name of your broker, bank or other nominee) and you wish to vote at the 2009 Annual Meeting, you will need to contact your broker, bank or other nominee regarding how to vote at the 2009 Annual Meeting.

If you are a shareholder of record (that is, if your stock is registered in your name), you may vote by proxy, by telephone, electronically through the Internet, or by mail by following the instructions included with your proxy card. The deadline for shareholders of record to vote telephonically or electronically through the Internet is 11:59 p.m., prevailing time, on August 19, 2009.

A.C. Moore encourages you to take advantage of these ways to vote your shares for matters to be covered at the 2009 Annual Meeting. Set forth below is a summary of the three voting methods which shareholders of record may utilize to submit their votes by proxy.

Vote by Telephone 1-866-578-5350. Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week. Have your proxy card in hand when you call. You will be prompted to enter your control number(s) which are located on your proxy card and then follow the directions given.

Vote Electronically through the Internet <http://www.votestock.com>. Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your proxy card in hand when you access the web site. You will be prompted to enter your control number(s) which are located on your proxy card to create and submit an electronic ballot.

Vote by Mail. Mark, sign and date your proxy card and return the card in the postage-paid envelope A.C. Moore has provided you.

IF YOU VOTE BY TELEPHONE OR ELECTRONICALLY THROUGH THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.

Please note that although there is no charge to you for voting by telephone or electronically through the Internet, there may be costs associated with electronic access such as usage charges for Internet service providers and telephone companies. A.C. Moore does not cover these costs; they are solely your responsibility. The telephone and Internet voting procedures being made available to you are valid forms of granting proxies under the Pennsylvania Business Corporation Law of 1988, as amended.

If you hold your shares through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares.

What if I do not specify how I want my shares voted?

If you submit a signed proxy card or submit your proxy by telephone or electronically through the Internet but do not indicate how you want your shares voted, the persons named in the enclosed proxy will vote your shares of Common Stock for :

- the election of each of the persons identified below in Proposal 1: Election of Directors as nominees for election as directors;
- the approval of an amendment to A.C. Moore's 2007 Stock Incentive Plan to increase the authorized number of shares; and
- the ratification of the appointment of PricewaterhouseCoopers as the independent registered public accounting firm of A.C. Moore for the fiscal year ending January 2, 2010.

With respect to any other matter that properly comes before the 2009 Annual Meeting, the persons named in the enclosed proxy will vote your shares of Common Stock in their discretion in accordance with their best judgment and in the manner they believe to be in the best interest of A.C. Moore.

If I abstain from voting or withhold authority to vote for any proposal, will my shares be counted in the vote?

Under the Pennsylvania Business Corporation Law of 1988, as amended, an abstention, withholding of authority to vote or broker non-vote is not considered a vote cast and therefore will have no effect on the vote and will not be counted in determining whether any proposal has received the required shareholder vote.

Can I change my vote after submitting my proxy?

Yes. You can change your vote at any time before your proxy is voted at the 2009 Annual Meeting. If you are a shareholder of record, you may revoke your proxy by:

- submitting a later-dated proxy by telephone, Internet or mail; or
 - attending the 2009 Annual Meeting and voting in person. Your attendance alone will not revoke your proxy.
- You must also vote in person at the 2009 Annual Meeting.

The last vote received chronologically will supersede any prior vote. The deadline for changing your vote telephonically or electronically through the Internet is 11:59 p.m., prevailing time, on August 19, 2009.

If you hold your shares in street name, you must contact your broker, bank or other nominee regarding how to change your vote.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares that are registered in more than one account.

To ensure that all of your shares are counted in the vote at the 2009 Annual Meeting, you will need to vote the shares associated with each proxy card by telephone, Internet or mail.

Who pays for the cost of the solicitation of proxies?

A.C. Moore will bear the cost of this solicitation. In addition to solicitation by mail, officers, directors or employees of A.C. Moore may also solicit proxies in person or by telephone or facsimile without additional compensation. Upon request, A.C. Moore will pay the reasonable expenses incurred by record holders of Common Stock who are brokers, dealers, banks or voting trustees, or their nominees, for mailing proxy materials and annual shareholder reports to the beneficial owners of the shares they hold of record.

PROPOSAL 1**ELECTION OF DIRECTORS**

A.C. Moore's Articles of Incorporation, as amended, provide that the Board shall consist of not fewer than one nor more than 15 directors, with the exact number to be fixed by the Board. The Board has fixed the number of directors at six. Pursuant to the Articles of Incorporation of A.C. Moore, as amended, the directors are divided into three classes, which are required to be as nearly equal in number as possible. One class of directors is to be elected annually for a term of three years.

At the 2009 Annual Meeting, shareholders will elect two Class A directors, each to serve for a term of three years and until a respective successor is duly elected and qualified except in case of the director's earlier resignation or removal. Unless directed otherwise, the persons named in the enclosed proxy intend to vote such proxy for the election of the listed nominees or, in the event of inability of a nominee to serve for any reason, for the election of such other person as the Board may designate to fill the vacancy. The Board has no reason to believe that any nominee will not be a candidate or will be unable to serve.

The Board has nominated Joseph F. Coradino and Thomas S. Rittenhouse to serve as the Class A directors based upon the recommendation of the Nominating and Corporate Governance Committee. Each nominee currently serves as a director. The nominees have consented to being named in the proxy statement and to serve if elected.

The following table sets forth information, as of the Record Date, concerning A.C. Moore's directors and nominees for election to the Board:

Name	Age	Position	Committee Membership⁽¹⁾	Class	Director Since	Term Expires
Michael J. Joyce	67	Chairman of the Board	AC* and CC	B	2004	2010
Rick A. Lepley	59	President, Chief Executive Officer and Director		C	2006	2011
Joseph F. Coradino ⁽²⁾	57	Director	N&CGC* and CC	A	2006	2009
Neil A. McLachlan	52	Director	N&CGC and CC	B	2007	2010
Thomas S. Rittenhouse ⁽²⁾	67	Director	AC and N&CGC	A	2007	2009
Lori J. Schafer	46	Director	CC* and AC	C	2005	2011

* Chair.

(1) AC Audit Committee; CC Compensation Committee; and N&CGC Nominating and Corporate Governance Committee.

(2) Nominee for
director.

The following information about A.C. Moore's directors is based, in part, upon information supplied by such persons. Unless otherwise indicated, each individual has had the same principal occupation for more than five years.

Mr. Joyce has been a director of A.C. Moore since June 2004 and the Chairman of the Board since June 2006. From 1975 through May 2004, Mr. Joyce was a partner in the public accounting firm of Deloitte & Touche, LLP and served as the New England Managing Partner from May 1995 until his retirement in May 2004. Mr. Joyce is a director of each of Brandywine Realty Trust, a New York Stock Exchange traded real estate investment trust, and Allegheny Technologies Incorporated, a New York Stock Exchange traded specialty materials producer.

Mr. Lepley has been Chief Executive Officer and a director of A.C. Moore since June 2006 and President since June 2007. Previously, Mr. Lepley served as Executive Vice President of North American Retail for Office Depot, Inc., a New York Stock Exchange traded global supplier of office products and services, a position he held from March 2004 to April 2006. Mr. Lepley was President, Office Depot Japan from May 2001 to March 2004 and was responsible for all of that company's operations in Japan. From 1994 to 2000, Mr. Lepley served as founder and President of Retail Investment Concepts, Inc., an independent retailer and Office Depot licensee for Eastern Europe. From 1982 to 1993, Mr. Lepley was employed by Mitsubishi Motor Sales of America, Inc., the exclusive U.S. distributor of Mitsubishi Motors-brand cars and vehicles, where he held various positions, including Senior Vice President of Sales and Marketing and was responsible for more than 500 Mitsubishi Motors dealerships in the United States. He was one of 11 executives who founded Mitsubishi Motor Sales of America, Inc. in 1982.

Mr. Coradino has been a director of A.C. Moore since June 2006. Mr. Coradino is a member of the Board of Trustees and Office of the Chairman of Pennsylvania Real Estate Investment Trust (referred to as PREIT), a New York Stock Exchange traded equity real estate investment trust with a primary investment focus on retail enclosed shopping malls and open air shopping centers located in the United States. Since June 2004, Mr. Coradino has been President of PREIT Services, LLC and PREIT-Rubin, Inc., both management affiliates of PREIT, and has also served as Executive Vice President-Retail of PREIT since December 2001. From November 1998 to June 2004, he was Executive Vice President-Retail Division and Treasurer of PREIT-Rubin, Inc. From 1981 to 1998, Mr. Coradino held various positions with PREIT, including Senior Vice President-Retail Division and Treasurer, PREIT-Rubin, Inc.

Mr. Coradino is an equity investor of Academy Asset Management LLC, a registered investment adviser. He also serves on the boards of Chestnut Hill College and the YMCA of Greater Philadelphia.

Mr. McLachlan has been a director of A.C. Moore since February 2007. Mr. McLachlan is President of the Consumer & Office Products Group of MeadWestvaco Corporation, a New York Stock Exchange traded manufacturer of packaging, consumer and office products, specialty chemicals and specialty papers. As President of the Consumer & Office Products Group, a position which he has held since March 1999, Mr. McLachlan is responsible for the group's approximately \$1.1 billion in sales, 4,200 employees and 12 manufacturing and distribution locations. Before joining MeadWestvaco Corporation, Mr. McLachlan served as Senior Vice President, International of Fisher-Price, Inc., overseeing the development of Mattel's infant and preschool business around the world.

Mr. Rittenhouse has been a director of A.C. Moore since February 2007. Mr. Rittenhouse has a 39-year career in the retail and global supply chain industries. From July 1965 through January 1997, Mr. Rittenhouse was employed by Strawbridge & Clothier, Inc., a NASDAQ traded department and discount store chain, where he held various key officer positions overseeing both operations and finance, including as President of Strawbridge & Clover, Inc. From January 1997 to his retirement in January 2004, he served as President and Chief Executive officer of the Uniform Code Council, Inc., a global organization which sets standards for bar-coding and electronic commerce. Since September 2004, he has been a consultant to Ralston Center, a not-for-profit organization which develops programs and services that address the medical, mental health and quality of life needs of older adults. During 2008, Mr. Rittenhouse was a director of Boardwalk Bancorp, Inc., a NASDAQ traded bank holding company, until January 31, 2008, when Boardwalk merged with Cape Bancorp, Inc. Mr. Rittenhouse is a director of Lofware, Inc. and StarCite, LLC, both of which are private software companies.

Ms. Schafer has been a director of A.C. Moore since September 2005. Since September 2007, Ms. Schafer has served as Executive Advisor of the Global Retail Practice of SAS Institute, Inc., a provider of business intelligence software and analytics. From October 2003 to September 2007, Ms. Schafer served as Vice President, Global Retail Practice for SAS. Ms. Schafer had served as Chairman, President and Chief Executive Officer of Marketmax, Inc., a merchandise intelligence software company, from October 1996 to October 2003, when Marketmax was acquired by SAS. Prior to October 1996, Ms. Schafer held various positions at The Procter & Gamble Company, a New York Stock Exchange traded provider of consumer products. Ms. Schafer is currently a director of eFashions LLC, an Internet fashion retailer, Tradestone Software, Inc., a private retail software provider, and geoVue, Inc., a private business intelligence software provider. From 2005 through 2008, Ms. Schafer was a director of Trans World Entertainment Corporation, a NASDAQ traded retail company.

Independence

The Board has determined that the following directors, constituting a majority of the members of the Board, are independent as defined in the applicable listing standards of The NASDAQ Stock Market LLC (referred to as NASDAQ): Joseph F. Coradino, Michael J. Joyce, Neil A. McLachlan, Thomas S. Rittenhouse and Lori J. Schafer.

Communication with the Board

Shareholders may communicate with the Board, including the non-management directors, by sending a letter to an individual director or to A.C. Moore's Board, c/o Amy Rhoades, Vice President and General Counsel, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009. All shareholder communications received by Ms. Rhoades will be delivered to A.C. Moore's Chairman of the Board or to the director to whom such correspondence is addressed.

Meetings of the Board and Committees

The Board held 10 meetings during 2008. The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Audit Committee held 11 meetings, the Compensation Committee held five meetings and the Nominating and Corporate Governance Committee held five meetings during 2008. During 2008, each of the current directors attended at least 75% of the aggregate of (i) all of the meetings of the Board (held during the period in which he or she was a director) and (ii) all of the meetings of all committees of the Board on which such director served (during the period that he or she served).

Attendance at Annual Meeting of Shareholders

The Board has adopted a policy that all of the directors should attend the annual meeting of shareholders, absent exceptional cause. All directors attended the 2008 annual meeting of shareholders.

Corporate Governance

A.C. Moore's Board has developed corporate governance practices to help it fulfill its responsibilities and to serve the best interests of A.C. Moore and its shareholders. Many of these governance practices are documented in A.C. Moore's Corporate Governance Guidelines. These guidelines reflect the Board's commitment to good corporate governance, with a view to enhancing shareholder value over the long-term. The Corporate Governance Guidelines may be viewed at A.C. Moore's website at www.acmoore.com, under About Us, Corporate Profile. In addition, a printed copy of the Corporate Governance Guidelines will be provided to any shareholder upon written request to Amy Rhoades, Vice President and General Counsel, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009. The Nominating and Corporate Governance Committee will regularly review these guidelines in light of changing circumstances in order to continue serving the best interests of A.C. Moore and its shareholders.

Committees of the Board

Audit Committee. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of A.C. Moore's independent registered public accounting firm; reviews the independence of A.C. Moore's independent registered public accounting firm; discusses with management and A.C. Moore's independent registered public accounting firm the quality and adequacy of A.C. Moore's controls over financial reporting; discusses A.C. Moore's annual audited financial statements and quarterly financial statements with management and A.C. Moore's independent registered public accounting firm; and establishes procedures for the receipt, retention and treatment of complaints received by A.C. Moore regarding accounting, controls over financial reporting or auditing matters. The Audit Committee also pre-approves the professional services provided by A.C. Moore's independent registered public accounting firm. The responsibilities of the Audit Committee are further described in the Audit Committee Charter adopted by the Audit Committee and the Board. A copy of the Audit Committee Charter can be found on A.C. Moore's website at www.acmoore.com, under About Us, Corporate Profile. The current members of the Audit Committee are Messrs. Joyce (Chair) and Rittenhouse, and Ms. Schafer. The Board has determined that each member of the Audit Committee is independent as defined in the applicable NASDAQ listing standards and Securities and Exchange Commission (referred to as the SEC) regulations. The Board has determined that Mr. Joyce and Mr. Rittenhouse each qualify as an audit committee financial expert as that term is defined in SEC regulations. The report of the Audit Committee is set forth below in this proxy statement.

Compensation Committee. The Compensation Committee reviews and makes recommendations to the Board regarding the salaries, bonuses and other forms of compensation for executive officers of A.C. Moore; reviews and recommends to the Board forms of employment, severance, change in control agreements or provisions or any other compensatory agreement for executive officers; reviews and recommends to the Board cash incentive plans; reviews and recommends to the Board equity-based plans and equity grants; and administers various compensation and benefit plans. Prior to January 2008, the Compensation Committee was also responsible for reviewing and recommending director compensation to the Board. In January 2008, the responsibility for reviewing and recommending director compensation transferred to the Nominating and Corporate Governance Committee. The responsibilities of the Compensation Committee are further described in the Compensation Committee Charter adopted by the Compensation Committee and the Board, a copy of which can be found on A.C. Moore's website at www.acmoore.com, under About Us, Corporate Profile. For a discussion of A.C. Moore's processes and procedures for the consideration and determinations of executive compensation, see Compensation Discussion and Analysis below. The current members of the Compensation Committee are Ms. Schafer (Chair) and Messrs. Coradino, Joyce and McLachlan. The Board has determined that each member of the Compensation Committee is independent as defined in the applicable NASDAQ listing standards. The report of the Compensation Committee is set forth below in this proxy statement.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee makes recommendations to the Board regarding the size of the Board and each committee of the Board; identifies and interviews individuals qualified to become members of the Board; establishes policies regarding the consideration of director candidates recommended by shareholders; establishes procedures to be followed by shareholders in submitting recommendations for director candidates; considers candidates nominated by shareholders in accordance with A.C. Moore's amended and restated bylaws (referred to as the "bylaws"); recommends to the Board the director nominees for each annual meeting of shareholders; makes recommendations to the Board regarding determinations of independence of the members of the Board; makes annual recommendations to the Board regarding director nominees for each board committee; develops, monitors and updates A.C. Moore's corporate governance principles and policies; reviews and makes recommendations to the Board with respect to A.C. Moore's Code of Ethical Business Conduct; makes recommendations to the Board on director compensation from time to time; oversees new director orientation to A.C. Moore; and leads the Board's annual review of the Board's performance. For a discussion of A.C. Moore's processes and procedures for the consideration and determinations of director compensation, see "Director Compensation Process and Procedures for Determining Director Compensation." The responsibilities of the Nominating and Corporate Governance Committee are further described in the Nominating and Corporate Governance Committee Charter adopted by the Nominating and Corporate Governance Committee and the Board, a copy of which can be found on A.C. Moore's website at www.acmoore.com, under "About Us," "Corporate Profile." The current members of the Nominating and Corporate Governance Committee are Messrs. Coradino (Chair), McLachlan and Rittenhouse. The Board has determined that each member of the Nominating and Corporate Governance Committee is independent as defined in the applicable NASDAQ listing standards. The information on the website listed above and elsewhere in this proxy statement is not, and should not be, considered part of this proxy statement and is not incorporated by reference in this document. This website is, and is only intended to be, an inactive textual reference.

Director Nomination Process

Director Qualifications. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board the appropriate characteristics, skills and experience for the Board as a whole and its individual members, with the objective of having a Board with diverse perspectives and skills. This assessment takes into account many factors, including without limitation, character, expertise, judgment, professional achievements and background, understanding of areas relevant to the Company's business and general business environment, and ability to make independent, analytical inquiries. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities, and should be committed to serving on the Board for an extended period of time. Additional special criteria apply to directors being considered to serve on a particular committee of the Board. For example, members of the Audit Committee must meet additional standards of independence and have the ability to read and understand A.C. Moore's financial statements.

Director Nominee Selection Process. In the case of an incumbent director whose term of office expires, the Nominating and Corporate Governance Committee reviews such director's service to A.C. Moore during the past term, including, but not limited to, the number of Board and committee meetings attended, as applicable, quality of participation and whether the candidate continues to meet the general qualifications for a director outlined above, including the director's independence, as well as any special qualifications required for membership on any committees on which such director serves.

In the case of a new director candidate, the selection process for director candidates includes the following steps:

- identification of director candidates by the Nominating and Corporate Governance Committee based upon suggestions from current directors and executives and recommendations received from shareholders, and possible engagement of a director search firm;
- interviews of candidates by the Nominating and Corporate Governance Committee;
- reports to the Board by the Nominating and Corporate Governance Committee on the selection process;
- recommendations by the Nominating and Corporate Governance Committee; and
- formal nominations by the Board for inclusion in the slate of directors at the annual meeting.

The Nominating and Corporate Governance Committee will consider nominating properly submitted shareholder recommendations for director candidates. Director candidates recommended by shareholders are given the same consideration by the Nominating and Corporate Governance Committee as candidates suggested by directors and executive officers.

Consideration of Director Candidates Recommended by Shareholders. A shareholder who wishes to recommend a prospective director nominee should submit the shareholder's recommendation to the Chair of the Nominating and Corporate Governance Committee in writing c/o A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009. The following information must be included in or attached to the letter:

- the name and address of the shareholder making the recommendation and each recommended nominee;
- a representation that the shareholder is a holder of record of capital stock of A.C. Moore entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to vote for the person or persons recommended for nomination;
- a description of all arrangements and understandings between the shareholder and each recommended nominee and any other person or persons (naming such person or persons) pursuant to which the recommendation was made by the shareholder;
- such other information regarding each recommended nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC if the nominee were to be nominated by the Board;
- and
- the consent of each recommended nominee to serve as a director of A.C. Moore if so nominated and elected.

The deadline for submitting shareholder recommendations pursuant to the foregoing procedures for the 2010 annual meeting of shareholders is March 26, 2010. All shareholder recommendations which are late or non-conforming will be rejected by A.C. Moore.

In addition, under A.C. Moore's bylaws, shareholders are permitted to nominate directors to be elected at a meeting of shareholders by providing notice and the other required information specified in the bylaws. A.C. Moore's bylaws are available, at no cost, on A.C. Moore's website at www.acmoore.com, under About Us, Corporate Profile, or upon the shareholder's written request to Amy Rhoades, Vice President and General Counsel, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009. Nominations with respect to the 2009 annual meeting of shareholders must be received on or prior to March 26, 2010. All late or non-conforming nominations will be rejected.

AUDIT COMMITTEE REPORT

On March 11, 2009, the Audit Committee met with management to review and discuss the audited financial statements as well as management's assessment of the effectiveness of internal control over financial reporting. Management represented to the Audit Committee that A.C. Moore's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Audit Committee also conducted discussions with A.C. Moore's independent registered public accounting firm, PricewaterhouseCoopers, regarding the matters required by the Statement on Auditing Standards No. 61, as amended (AICPA Professional Standards, Vol. 1, AU Section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T. As required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, the Audit Committee has discussed with and received the required written disclosures and confirming letter from PricewaterhouseCoopers and has discussed with PricewaterhouseCoopers its independence. Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements as well as management's assessment of the effectiveness of internal control over financial reporting be included in A.C. Moore's Annual Report on Form 10-K for the year ended January 3, 2009.

This Audit Committee Report shall not be deemed incorporated by reference in any document previously or subsequently filed with the SEC that incorporates by reference all or any portion of this proxy statement, except to the extent that A.C. Moore specifically requests that the report be specifically incorporated by reference.

THE AUDIT COMMITTEE

Michael J. Joyce (Chair)
Lori J. Schafer
Thomas S. Rittenhouse

DIRECTOR COMPENSATION

The following table sets forth the compensation of non-employee directors for their service as directors during 2008. Mr. Lepley is an employee of A.C. Moore and, as such, not compensated as a director.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)(3)	Option Awards (\$)(1)(3)	All Other Compensation (\$)	Total (\$)
Joseph F. Coradino	47,500	24,997			72,497
Michael J. Joyce	105,000	24,997	21,222		151,219
Neil A. McLachlan	45,000	24,997	4,264		74,261
Thomas S. Rittenhouse	50,000	24,997	4,264		79,261
Lori J. Schafer	55,000	24,997	21,222		101,219

(1) Represents the dollar amount recognized for financial statement reporting purposes for the fiscal year ended January 3, 2009 in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards (referred to as FAS) No. 123 (revised 2004), Share-Based Payment, as modified or supplemented (referred to as FAS 123R) based on assumptions set forth in Note 1 to the consolidated financial statements

included in A.C. Moore's Annual Report on Form 10-K for the fiscal year ended January 3, 2009 (referred to as the 2008 Form 10-K) and disregarding estimates of forfeitures related to service-based vesting conditions. These dollar amounts include amounts for awards granted in and prior to 2008, as applicable.

- (2) Each of the current directors was granted 6,024 shares of restricted Common Stock on June 19, 2008 under A.C. Moore's 2007 Stock Incentive Plan (referred to as the Stock Incentive Plan). The shares of restricted Common Stock vest in three equal annual installments beginning on the first anniversary of the date of grant. The grant date fair value in accordance

with FAS 123R of each of these restricted Common Stock awards was \$49,999.

- (3) The following tables set forth information concerning unexercised options and unvested stock awards for the directors as of January 3, 2009. With the exception of the grants expiring on February 20, 2014 and August 3, 2016, all stock options vest and become exercisable in three equal installments each year beginning on the first anniversary of the date of grant. The grants expiring on February 20, 2014 and August 3, 2016 vested in full on the first anniversary of the date of grant. Except for the options expiring February 20, 2014, which have a seven-year term, all options have a 10-year term.

Name	Option Awards			
	Number of Securities Underlying Unexercised	Number of Securities Underlying Unexercised	Option Exercise Price(\$)	Option Expiration Date
	Options(#) Exercisable	Options(#) Unexercisable		
Joseph F. Coradino	10,000		16.88	08/03/2016
Michael J. Joyce	10,000		21.95	08/26/2014
	10,000		23.51	08/25/2015
	10,000		16.88	08/03/2016
Neil A. McLachlan	3,500		20.37	02/20/2014
Thomas S. Rittenhouse	3,500		20.37	02/20/2014
Lori J. Schafer	10,000		23.51	08/25/2015
	10,000		16.88	08/03/2016

Name	Stock Awards	
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)*
Joseph F. Coradino	7,550	10,419
Michael J. Joyce	7,550	10,419
Neil A. McLachlan	7,550	10,419
Thomas S. Rittenhouse	7,550	10,419
Lori J. Schafer	7,550	10,419

* Market value is calculated using \$1.38 per share, the NASDAQ Stock Market closing price per share of A.C. Moore common stock on January 2, 2009.

Process and Procedures for Determining Director Compensation

In January 2008, the responsibility for reviewing and recommending non-employee director compensation transferred to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee solicits input from the Compensation Committee, as well as from independent outside consultants engaged by the Board, from time to time. The full Board, upon the recommendation of the Nominating and Corporate Governance Committee, approves director compensation.

Prior to January 2008, the Compensation Committee was responsible for determining director compensation. In February 2007, the Compensation Committee asked Hay Group, the independent outside compensation consultant retained to assist the Compensation Committee in its analysis of A.C. Moore's executive compensation programs, to perform an analysis of A.C. Moore's non-employee director compensation and make recommendations to the Compensation Committee regarding any changes to director compensation, including the implementation of director stock ownership guidelines. Hay Group presented data on director compensation at comparable companies in A.C. Moore's market to the Compensation Committee. Hay Group worked directly with the Compensation Committee, receiving assignments and direction from the Compensation Committee Chair.

Director Compensation

Fees. Based on recommendations by Hay Group, in April 2007 the Board approved the following new compensation structure for non-employee directors:

an annual cash retainer of \$35,000;

an additional annual cash retainer of \$50,000 for the Chairman of the Board;
an additional annual cash retainer of \$15,000 for the chair of the Audit Committee and \$10,000 for each other member of the Audit Committee;

an additional annual cash retainer of \$10,000 for the chair of the Compensation Committee and \$5,000 for each other member of the Compensation Committee;

an additional annual cash retainer of \$7,500 for the chair of the Nominating and Corporate Governance Committee and \$5,000 for each other member of the Nominating and Corporate Governance Committee; and

an annual grant of restricted stock with a market value of approximately \$50,000 on the date of grant.

Stock Ownership Guidelines for Directors. Based on Hay Group's recommendations, the Board has approved the implementation of stock ownership guidelines for the non-employee directors. Requiring minimum levels of stock ownership by non-employee directors is consistent with the Board's objective of aligning director and shareholder interests.

Directors Subject to Guidelines

**Ownership Multiple of
Annual Cash Retainer**

All Non-Employee Directors

Three (3) times

Non-employee directors are expected to comply with these ownership requirements by the end of a five-year period beginning in 2007. Shares that are counted for purposes of satisfying ownership requirements are shares directly or indirectly owned and grants and awards under equity incentive plans (such as vested and unvested restricted stock). Stock options and stock appreciation rights (SARs) do not count towards satisfaction of the ownership requirements.

Stock Grant to Non-Employee Directors. Consistent with the compensation structure set forth above, on June 19, 2008, the non-employee directors were granted restricted stock with a market value of approximately \$50,000 on the date of grant, or 6,024 shares. The shares vest equally over three years from the date of grant.

On June 18, 2009, the non-employee directors were granted restricted stock with a market value of approximately \$50,000 on the date of grant, or 13,928 shares. The shares vest equally over three years from the date of grant.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of July 17, 2009, certain information with respect to the beneficial ownership of Common Stock by (i) each person who is known by A.C. Moore to be the beneficial owner of more than 5% of Common Stock, (ii) each director and nominee for director of A.C. Moore, (iii) each executive officer of A.C. Moore named in the Summary Compensation Table and (iv) all directors and executive officers of A.C. Moore as a group. The information about the beneficial owners contained in the table below is based on information supplied by such persons or SEC filings. Except as otherwise indicated, to the knowledge of A.C. Moore, the beneficial owners of shares of Common Stock listed below have sole investment and voting power with respect to such shares.

Name of Beneficial Owner	Shares Beneficially Owned (1) Amount and Nature of Beneficial Ownership	Percent of Class
Rick A. Lepley	385,116(2)	1.5
Joseph A. Jeffries	80,196(3)	*
Amy Rhoades	20,838(4)	*
Michael G. Zawoysky	67,430(5)	*
Marc Katz	0(6)	*
Joseph F. Coradino	37,241(7)	*
Michael J. Joyce	67,241(8)	*
Neil A. McLachlan	31,741(9)	*
Thomas S. Rittenhouse	26,741(10)	*
Lori J. Schafer	42,241(11)	*
All executive officers and directors as a group (12 persons)	833,785(12)	3.3
Robert Atchinson	1,321,000(13)	5.3
Phillip Gross	1,321,000(13)	5.3
Adage Capital Advisors, L.L.C.	1,321,000(13)	5.3
Adage Capital Partners GP, L.L.C.	1,321,000(13)	5.3
Adage Capital Partners, L.P.	1,321,000(13)	5.3
Dimensional Fund Advisors LP	1,842,020(14)	7.4
Glenn J. Krevlin	6,000,000(15)	24.2
Glenhill Advisors, LLC	6,000,000(15)	24.2
Glenhill Capital Management, LLC	6,000,000(15)	24.2
Glenhill Capital LP	2,922,329(15)	11.8
Glenhill Capital Overseas Master Fund, LP	2,757,559(15)	11.1
Royce & Associates, LLC	2,226,100(16)	9.0
T. Rowe Price Associates, Inc.		