

Graul Michelle  
Form 4  
June 01, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Graul Michelle

(Last) (First) (Middle)

C/O KIRKLAND'S INC., 2501  
MCGAVOCK PIKE, SUITE 1000

(Street)

NASHVILLE, TN 37214

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
KIRKLAND'S, INC [KIRK]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/30/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sen. VP-Store Operations & HR

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount (A) or (D) Price                                                                       |                                                          |                                   |
| Common Stock                    | 05/30/2012                           |                                                    | A                              |                                                                   | 9,000<br>(1)                                                                                  | A                                                        | \$ 0 68,716 D                     |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| Stock Option (Right to Buy)                | \$ 10.93                                               | 05/30/2012                           |                                                    | A                              | 22,500                                                                                  | (2) 05/30/2022                                           | Common Stock                                                  | 22,500                        |

## Reporting Owners

| Reporting Owner Name / Address                                                                 | Relationships |           |                               |       |
|------------------------------------------------------------------------------------------------|---------------|-----------|-------------------------------|-------|
|                                                                                                | Director      | 10% Owner | Officer                       | Other |
| Graul Michelle<br>C/O KIRKLAND'S INC.<br>2501 MCGAVOCK PIKE, SUITE 1000<br>NASHVILLE, TN 37214 |               |           | Sen. VP-Store Operations & HR |       |

## Signatures

/s/ Adam Holland, as Attorney In Fact for Michelle Graul  
06/01/2012

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reporting person was granted 9000 restricted stock units (RSUs) under the Kirkland's 2002 Equity Incentive Plan. The RSUs will vest 100% on May 30, 2015.
- (2) These options will become exercisable as to 25% of such shares on May 30, 2013 and thereafter will become exercisable as to 6.25% per quarter for the next three years.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.