

SEARS HOLDINGS CORP  
Form SC 13D/A  
March 14, 2018

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

**SCHEDULE 13D**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 61)\***

**Sears Holdings Corporation**

**(Name of Issuer)**

**Common Shares**

**(Title of Class of Securities)**

**812350106**

**(CUSIP Number)**

**Janice V. Sharry, Esq.**

**Haynes and Boone, LLP**

**2323 Victory Avenue, Suite 700**

**Dallas, Texas 75219**

**(214) 651-5000**

**(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)**

**March 8, 2018**

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 812350106

1. Names of Reporting Persons.

**ESL Partners, L.P.**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**Delaware**

Number of 7. Sole Voting Power

Shares

Beneficially **25,000,979 (1)**

8. Shared Voting Power

Owned by

Each

**0**

Reporting 9. Sole Dispositive Power

Person

With **25,000,979 (1)**

10. Shared Dispositive Power

**38,887,025 (2)**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**63,888,004 (1)(2)**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**56.7% (3)**

14. Type of Reporting Person (See Instructions)

**PN**

- (1) Includes 4,808,465 shares of Holdings Common Stock that may be acquired by the reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (2) Includes 6,328,688 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (3) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and 4,808,465 shares of Holdings Common Stock that may be acquired by the reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock.

CUSIP No. 812350106

1. Names of Reporting Persons.

**SPE I Partners, LP**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**Delaware**

Number of 7. Sole Voting Power

Shares

Beneficially **150,124**

8. Shared Voting Power

Owned by

Each

**0**

Reporting 9. Sole Dispositive Power

Person

With **150,124**

10. Shared Dispositive Power

**0**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**150,124**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**0.1% (1)**

14. Type of Reporting Person (See Instructions)

**PN**

(1) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers.

CUSIP No. 812350106

1. Names of Reporting Persons.

**SPE Master I, LP**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**Delaware**

7. Sole Voting Power

Number of

Shares

**193,341**

Beneficially

8. Shared Voting Power

Owned by

Each

**0**

9. Sole Dispositive Power

Reporting

Person

**193,341**

With

10. Shared Dispositive Power

**0**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**193,341**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**0.2% (1)**

14. Type of Reporting Person (See Instructions)

**PN**

(1) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers.



CUSIP No. 812350106

1. Names of Reporting Persons.

**RBS Partners, L.P.**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**Delaware**

7. Sole Voting Power

Number of

Shares

**25,344,444 (1)**

Beneficially

8. Shared Voting Power

Owned by

Each

**0**

9. Sole Dispositive Power

Reporting

Person

**25,344,444 (1)**

With

10. Shared Dispositive Power

**38,887,025 (2)**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**64,231,469 (1)(2)**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**57.0% (3)**

14. Type of Reporting Person (See Instructions)

**PN**

- (1) Includes 4,808,465 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (2) Includes 6,328,688 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (3) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and 4,808,465 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock.

CUSIP No. 812350106

1. Names of Reporting Persons.

**ESL Investments, Inc.**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**Delaware**

Number of 7. Sole Voting Power

Shares

Beneficially 25,344,444 (1)

8. Shared Voting Power

Owned by

Each

0

Reporting 9. Sole Dispositive Power

Person

With 25,344,444 (1)

10. Shared Dispositive Power

**38,887,025 (2)**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**64,231,469 (1)(2)**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**57.0% (3)**

14. Type of Reporting Person (See Instructions)

**CO**

- (1) Includes 4,808,465 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (2) Includes 6,328,688 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (3) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and 4,808,465 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock.

CUSIP No. 812350106

1. Names of Reporting Persons.

**Edward S. Lampert**

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**OO; PF**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

**United States**

Number of 7. Sole Voting Power

Shares

Beneficially **64,231,469 (1)(2)**

8. Shared Voting Power

Owned by

Each

**0**

Reporting 9. Sole Dispositive Power

Person

With **25,344,444 (1)**

10. Shared Dispositive Power

**38,887,025 (2)**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**64,231,469 (1)(2)**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**54.0% (3)**

14. Type of Reporting Person (See Instructions)

**IN**

- (1) Includes 4,808,465 shares of Holdings Common Stock that may be acquired by a reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (2) Includes 6,328,688 shares of Holdings Common Stock that may be acquired by the reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.
- (3) Based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and an aggregate of 11,137,153 shares of Holdings Common Stock that may be acquired by certain of the reporting persons within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock.

This Amendment No. 61 to Schedule 13D (this Amendment) relates to common shares, par value \$0.01 per share (the Holdings Common Stock), of Sears Holdings Corporation, a Delaware corporation (Holdings). This Amendment amends the Schedule 13D, as previously amended, filed with the Securities and Exchange Commission by ESL Partners, L.P., a Delaware limited partnership (Partners), SPE I Partners, LP, a Delaware limited partnership (SPE I), SPE Master I, LP, a Delaware limited partnership (SPE Master I), RBS Partners, L.P., a Delaware limited partnership (RBS), ESL Investments, Inc., a Delaware corporation (ESL), and Edward S. Lampert, a United States citizen, by furnishing the information set forth below. Except as otherwise specified in this Amendment, all previous Items are unchanged. Capitalized terms used herein which are not defined herein have the meanings given to them in the Schedule 13D, as previously amended, filed with the Securities and Exchange Commission (SEC).

### **Item 3. Source and Amount of Funds or Other Consideration.**

Item 3 is hereby amended and supplemented as follows:

In a grant of shares of Holdings Common Stock by Holdings on February 28, 2018, pursuant to the Extension Letter between Holdings and Mr. Lampert, Mr. Lampert acquired an additional 159,575 shares of Holdings Common Stock. Mr. Lampert received the shares of Holdings Common Stock as consideration for serving as Chief Executive Officer, and no cash consideration was paid by Mr. Lampert in connection with the receipt of such shares of Holdings Common Stock.

### **Item 4. Purpose of Transaction.**

Item 4 is hereby amended and supplemented as follows:

On March 8, 2018, Holdings, through Sears, Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc. and Troy Coolidge No. 13, LLC (collectively, Amended Second A&R RE Loan Borrowers), entities wholly-owned and controlled, directly or indirectly by Holdings, entered into a Second Amendment (the 2<sup>nd</sup> Second A&R RE Loan Amendment) to the Second A&R RE Loan Agreement (as amended, including pursuant to the 2<sup>nd</sup> Second A&R RE Loan Amendment, the Amended Second A&R RE Loan Agreement), with the RE Loan Lenders. Pursuant to the 2<sup>nd</sup> Second A&R RE Loan Amendment, the Amended Second A&R RE Loan Borrowers borrowed an additional \$100 million (the RE Incremental Loan) from the RE Loan Lenders. After giving effect to the RE Incremental Loan, the aggregate principal amount outstanding under the Amended Second A&R RE Loan Agreement was \$621.9 million. The RE Incremental Loan matures on July 20, 2020.

The RE Incremental Loan will have an annual interest rate of LIBOR plus 9.00%, with accrued interest payable monthly. In addition to the RE Incremental Loan, as of March 5, 2018, under the Amended Second A&R RE Loan Agreement there are \$379.2 million aggregate principal amount of outstanding loans maturing July 20, 2020, for which the interest rate was increased to LIBOR plus 9.00% in connection with the 2<sup>nd</sup> Second A&R RE Loan Amendment, as well as \$142.7 million aggregate principal amount of outstanding loans maturing April 23, 2018 (subject to extension to July 6, 2018), for which the interest rate remains 11.0%. As with the existing loans under the Amended Second A&R RE Loan Agreement, the RE Incremental Loan is guaranteed by Holdings and is currently secured by a first priority lien on certain real properties owned by the Amended Second A&R RE Loan Borrowers. No upfront or funding fees will be paid in connection with the RE Incremental Loan.

The Amended Second A&R RE Loan Agreement includes certain representations and warranties, indemnities and covenants, including with respect to the condition and maintenance of the real property collateral. The Amended Second A&R RE Loan Agreement has certain events of default, including (subject to certain materiality thresholds and grace periods) payment default, failure to comply with covenants, material inaccuracy of representation or warranty, and bankruptcy or insolvency proceedings. If there is an event of default, the RE Loan Lenders may declare

all or any portion of the outstanding indebtedness to be immediately due and payable, exercise any rights they might have under the Amended Second A&R RE Loan Agreement and related documents (including against the collateral), and require the Amended Second A&R RE Loan Borrowers to pay a default interest rate equal to the greater of (i) 2.5% in excess of the base interest rate and (ii) the prime rate plus 1%.



The foregoing description of the 2<sup>nd</sup> Second A&R RE Loan Amendment, the RE Incremental Loan and the Amended Second A&R RE Loan Agreement does not purport to be complete and is qualified in its entirety by reference to the 2<sup>nd</sup> Second A&R RE Loan Amendment, filed as Exhibit 99.55 hereto and incorporated by reference herein.

On March 9, 2018, certain affiliates of the Reporting Persons delivered their confirmation of book-entry transfer to Computershare Trust Company, N.A., as the exchange agent, to participate in the private exchange offerings (the Exchange Offers ) by Holdings by tendering all of their 8% Senior Unsecured Notes Due 2019 (the 2019 Notes ) and 6 5/8% Senior Secured Notes Due 2018 (the 2018 Notes ) in exchange for a like principal amount of Senior Unsecured Convertible PIK Toggle Notes and Senior Secured Convertible PIK Toggle Notes, respectively. On February 15, 2018, Holdings commenced the Exchange Offers for its outstanding 2019 Notes and 2018 Notes, and certain affiliates of the Reporting Persons expressed an intention to participate in the Exchange Offers and, in connection therewith, consent to an amendment to the Indenture governing the 2018 Notes. Subject to the consummation of the Exchange Offers and the effectiveness of the proposed amendment to the Indenture governing the 2018 Notes, Holdings and ESL expressed a mutual intention to amend the Second Lien Credit Agreement to provide that interest on the Second Lien Term Loan may be paid in kind and that Holdings' obligations thereunder may be exchanged for Holdings' Common Stock on the same terms as the notes being privately offered in the Exchange Offers for the 2018 Notes. These affiliates of the Reporting Persons may withdraw their tender of the 2019 Notes and 2018 Notes at any time until the expiration of the Exchange Offers at 11:59 PM, New York City time, on March 15, 2018, unless extended or earlier terminated by Holdings. There can be no assurance that any of the Reporting Persons or their affiliates will participate in the Exchange Offers, consent to an amendment to the Indenture governing the 2018 Notes, or approve an amendment to the Second Lien Credit Agreement.

On March 14, 2018, Holdings, through SRC O.P. LLC, SRC Facilities LLC and SRC Real Estate (TX), LLC (collectively, the 2018 Secured Loan Borrowers ), entities wholly-owned and controlled, directly or indirectly by Holdings, entered into a Credit Agreement (the 2018 Credit Agreement ) with the lenders party thereto, UBS AG, Stamford Branch, LLC, as administrative agent, and UBS Securities LLC, as lead arranger and bookrunner. The 2018 Credit Agreement provides for a \$200 million term loan (the 2018 Secured Loan ) that is secured by the 2018 Secured Loan Borrowers' interests in 138 real properties that were released from a ring-fence arrangement with the Pension Benefit Guaranty Corporation. On March 14, 2018, Holdings, through SRC Sparrow 2 LLC (the Mezzanine Loan Borrower ), an entity wholly-owned and controlled indirectly by Holdings, entered into a Mezzanine Loan Agreement (the Mezzanine Loan Agreement ) with JPP, LLC and JPP II, LLC, as lenders (collectively, the Mezzanine Loan Lenders ), and JPP, LLC, as administrative agent. The Mezzanine Loan Agreement provides for a \$240 million term loan (the Mezzanine Loan ) that is secured by a pledge of the equity interests in SRC O.P. LLC, the direct parent company of the entities that own the 138 real properties that secure the obligations of the 2018 Secured Loan Borrowers under the 2018 Credit Agreement.

The Mezzanine Loan Agreement contains an uncommitted accordion feature pursuant to which the Mezzanine Loan Borrower may incur additional loans ( Additional Mezzanine Loans ) of not more than \$200 million in aggregate, subject to certain conditions set forth in the Mezzanine Loan Agreement and the 2018 Credit Agreement, including that the Additional Mezzanine Loans shall not exceed an amount equal to the principal amount of the 2018 Secured Loan repaid by the 2018 Secured Loan Borrowers.

The Mezzanine Loan bears interest at an annual interest rate of LIBOR plus 11.0%, with accrued interest payable monthly during the term of the Mezzanine Loan. The Mezzanine Loan matures on July 20, 2020. The Mezzanine Borrowers paid an upfront commitment fee equal to 1.8% of the principal amount of the Mezzanine Loan.

The Mezzanine Loan is guaranteed by Holdings and the same subsidiaries that guarantee the 2018 Secured Loan. To the extent permitted under other debt of Holdings or its affiliates, the Mezzanine Loan may be prepaid at any time in whole or in part, without penalty or premium. Following repayment in full of the 2018 Secured Loan, the Mezzanine Loan Borrower is required to apply the net proceeds of the sale of any real property that served as collateral for the

2018 Secured Loan to repay the Mezzanine Loan.

The Mezzanine Loan Agreement includes certain representations and warranties, indemnities and covenants, including with respect to the condition and maintenance of the related real property. The Mezzanine Loan Agreement has certain events of default, including (subject to certain materiality thresholds and grace periods) payment default, failure to comply with covenants, material inaccuracy of representation or warranty, and bankruptcy or insolvency proceedings. If there is an event of default, the Mezzanine Loan Lenders may declare all or any portion of the outstanding Mezzanine Loan to be immediately due and payable, exercise any rights they might have (including against the equity interests pledged as collateral), and require the Mezzanine Loan Borrower to pay a default interest rate of 2.0% in excess of the base interest rate.

#### Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated in its entirety as follows:

(a)-(b) Each Reporting Person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, the beneficial owner of any securities covered by this statement.

Each Reporting Person may be deemed to be a member of a group with respect to Holdings or securities of Holdings for the purposes of Section 13(d) or 13(g) of the Act. Each Reporting Person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act) with any other person as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of Holdings or otherwise with respect to Holdings or any securities of Holdings or (ii) a member of any syndicate or group with respect to Holdings or any securities of Holdings.

As of March 14, 2018, the Reporting Persons may be deemed to beneficially own the shares of Holdings Common Stock set forth in the table below.

| REPORTING<br>PERSON      | NUMBER<br>OF<br>SHARES |        | PERCENTAGE<br>OF<br>OUTSTANDING<br>SHARES |     | SOLE<br>VOTING<br>POWER | SHARED<br>VOTING<br>POWER | SOLE<br>POSITIVE<br>POWER | SHARED<br>DISPOSITIVE<br>POWER |     |            |     |
|--------------------------|------------------------|--------|---|-----|-------------------------|---------------------------|---------------------------|--------------------------------|-----|------------|-----|
|                          | BENEFICIALLY<br>OWNED  |        |   |     |                         |                           |                           |                                |     |            |     |
| ESL Partners, L.P.       | 63,888,004             | (1)(2) | 56.7%                                     | (3) | 25,000,979              | (2)                       | 0                         | 25,000,979                     | (2) | 38,887,025 | (1) |
| SPE I Partners, LP       | 150,124                |        | 0.1%                                      |     | 150,124                 |                           | 0                         | 150,124                        |     | 0          |     |
| SPE Master I, LP         | 193,341                |        | 0.2%                                      |     | 193,341                 |                           | 0                         | 193,341                        |     | 0          |     |
| RBS Partners, L.P.       | 64,231,469             | (1)(4) | 57.0%                                     | (5) | 25,344,444              | (4)                       | 0                         | 25,344,444                     | (4) | 38,887,025 | (1) |
| ESL Investments,<br>Inc. | 64,231,469             | (1)(6) | 57.0%                                     | (7) | 25,344,444              | (6)                       | 0                         | 25,344,444                     | (6) | 38,887,025 | (1) |
| Edward S. Lampert        | 64,231,469             | (1)(8) | 54.0%                                     | (9) | 64,231,469              | (1)(8)                    | 0                         | 25,344,444                     | (8) | 38,887,025 | (1) |

- (1) This number includes 32,558,337 shares of Holdings Common Stock held by Mr. Lampert and 6,328,688 shares of Holdings Common Stock that Mr. Lampert has the right to acquire within 60 days pursuant to the Warrants held by Mr. Lampert. Partners has entered into a Lock-Up Agreement with Mr. Lampert that restricts the purchase and sale of securities owned by Mr. Lampert. Pursuant to the Lock-Up Agreement, Partners may be deemed to have shared dispositive power over, and to indirectly beneficially own, securities owned by Mr. Lampert. RBS, ESL and Mr. Lampert may also be deemed to have shared dispositive power over, and to

indirectly beneficially own, such securities.

- (2) This number includes 20,192,514 shares of Holdings Common Stock held by Partners and 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners.

- (3) This is based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners.
- (4) This number includes 20,192,514 shares of Holdings Common Stock held by Partners, 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 150,124 shares of Holdings Common Stock held by SPE I and 193,341 shares of Holdings Common Stock held by SPE Master I. RBS is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Partners, SPE I and SPE Master I.
- (5) This is based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners. RBS is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Partners.
- (6) This number includes 20,192,514 shares of Holdings Common Stock held by Partners, 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 150,124 shares of Holdings Common Stock held by SPE I and 193,341 shares of Holdings Common Stock held by SPE Master I. ESL is the general partner of, and may be deemed to indirectly beneficially own securities owned by, RBS.
- (7) This is based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, and the 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners. ESL is the general partner of, and may be deemed to indirectly beneficially own securities owned by, RBS.
- (8) This number includes 20,192,514 shares of Holdings Common Stock held by Partners, 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 150,124 shares of Holdings Common Stock held by SPE I and 193,341 shares of Holdings Common Stock held by SPE Master I. Mr. Lampert is the Chairman, Chief Executive Officer and Director of, and may be deemed to indirectly beneficially own securities owned by, ESL.
- (9) This is based upon 107,797,835 shares of Holdings Common Stock outstanding as of February 15, 2018, as disclosed by Holdings in the offering documents for the Exchange Offers, the 6,328,688 shares of Holdings Common Stock that Mr. Lampert has the right to acquire within 60 days pursuant to the Warrants held by Mr. Lampert and the 4,808,465 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners. Mr. Lampert is the Chairman, Chief Executive Officer and Director of, and may be deemed to indirectly beneficially own securities owned by, ESL.
- (c) Other than as set forth on Annex B hereto, there have been no transactions in the class of securities reported on that were effected by the Reporting Persons during the past sixty days or since the most recent filing of Schedule 13D, whichever is less.
- (d) Not applicable.
- (e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

Item 6 is hereby amended and supplemented as follows:

The information set forth in Item 4 of this Amendment is incorporated by reference into this Item 6.

**Item 7. Material to be Filed as Exhibits.**

Item 7 is hereby amended and restated in its entirety as follows:

The following exhibits are filed as exhibits hereto:

| <b>Exhibit</b> | <b>Description of Exhibit</b>  |
|----------------|--|
| <b>99.1</b>    | Amendment, dated March 22, 2005, to the Agreement, dated January 31, 2005, among Kmart Holding Corporation, Sears Holdings Corporation, ESL Partners, L.P., ESL Investors, L.L.C., ESL Institutional Partners, L.P. and CRK Partners II, L.P. (incorporated herein by reference to Exhibit L to the Amendment to Schedule 13D filed on April 1, 2005). |
| <b>99.2</b>    | Acknowledgement, dated March 24, 2005, by Sears Holdings Corporation (relating to the assumption of the Registration Rights Agreement) (incorporated herein by reference to Exhibit K to the Amendment to Schedule 13D filed on April 1, 2005).  |
| <b>99.3</b>    | Letter Agreement, dated June 2, 2010, between ESL Partners, L.P. and Edward S. Lampert (incorporated herein by reference to Exhibit 8 to the Amendment to Schedule 13D filed on June 2, 2010).   |
| <b>99.6</b>    | Form of Letter (incorporated herein by reference to Exhibit 10.30 to Holdings Annual Report on Form 10-K filed on March 20, 2013).   |
| <b>99.7</b>    | Loan Agreement, dated September 15, 2014, among Sears, Roebuck and Co., Sears Development Co. and Kmart Corporation, and JPP II, LLC and JPP, LLC (incorporated herein by reference to Exhibit 99.7 to the Amendment to Schedule 13D filed on September 16, 2014).   |
| <b>99.8</b>    | Participation Agreement, dated September 22, 2014, among PYOF 2014 Loans, LLC, and JPP II, LLC and JPP, LLC (incorporated herein by reference to Exhibit 99.8 to the Amendment to Schedule 13D filed on September 24, 2014).   |
| <b>99.9</b>    | Amended and Restated Participation Agreement, dated September 30, 2014, among PYOF 2014 Loans, LLC, The Fairholme Partnership, LP, and JPP II, LLC and JPP, LLC (incorporated herein by reference to Exhibit 99.9 to the Amendment to Schedule 13D filed on October 1, 2014).  |
| <b>99.10</b>   | Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.10 to the Amendment to Schedule 13D filed on October 17, 2014).  |
| <b>99.11</b>   | Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE Master I, LP and ESL Partners, L.P. (incorporated herein by reference to Exhibit 99.11 to the Amendment to Schedule 13D filed on October 28, 2014).  |
| <b>99.12</b>   | Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE Master I, LP and Mr. Edward S. Lampert (incorporated herein by reference to Exhibit 99.12 to the Amendment to Schedule 13D filed on October 28, 2014).   |
| <b>99.13</b>   | Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE I Partners, LP and ESL Partners, L.P. (incorporated herein by reference to Exhibit 99.13 to the Amendment to Schedule 13D filed on October 28, 2014).  |
| <b>99.14</b>   | Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE I Partners, LP and Mr. Edward S. Lampert (incorporated herein by reference to Exhibit 99.14 to the Amendment to Schedule 13D filed on October 28, 2014).   |
| <b>99.15</b>   |  |

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Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.15 to the Amendment to Schedule 13D filed on November 12, 2014).

- 99.16** Form of Note (incorporated herein by reference to Exhibit 4.3 to the Post-Effective Amendment No. 1 to Form S-3 Registration Statement, filed by Holdings with the Securities and Exchange Commission on October 30, 2014).
- 99.17** Form of Warrant Certificate (incorporated herein by reference to Exhibit 4.4 to the Post-Effective Amendment No. 1 to Form S-3 Registration Statement, filed by Holdings with the Securities and Exchange Commission on October 30, 2014).
- 99.18** Amendment to Loan Agreement, entered into on February 25, 2015 and effective as of February 28, 2015, by and between JPP II, LLC and JPP, LLC and Sears, Roebuck and Co., Sears Development Co. and Kmart Corporation (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on February 26, 2015).
- 99.19** Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.19 to the Amendment to Schedule 13D filed on June 16, 2015).
- 99.20** Exchange Agreement, dated as of June 26, 2015, by and among ESL Partners, L.P. and Edward S. Lampert and Seritage Growth Properties, L.P. and Seritage Growth Properties (incorporated herein by reference to Exhibit 99.20 to the Amendment to Schedule 13D filed on June 29, 2015).
- 99.21** Form of Purchase and Sale Agreement, dated as of July 2, 2015, by and among the Participating Limited Partner, RBS Partners, L.P. and RBS Partners, L.P., in its capacity as general partner of either SPE I Partners, LP or SPE Master I, LP (incorporated herein by reference to Exhibit 99.21 to the Amendment to Schedule 13D filed on July 6, 2015).

- 99.22** Rule 10b5-1(c) Plan, dated July 2, 2015, by SPE I Partners, LP and RBS Partners, L.P. (incorporated herein by reference to Exhibit 99.22 to the Amendment to Schedule 13D filed on July 6, 2015).
- 99.23** Rule 10b5-1(c) Plan, dated July 2, 2015, by SPE Master I, LP and RBS Partners, L.P. (incorporated herein by reference to Exhibit 99.23 to the Amendment to Schedule 13D filed on July 6, 2015).
- 99.24** Letter Agreement, dated January 28, 2016, by and between Holdings and Edward S. Lampert (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on February 3, 2016).
- 99.25** Joint Filing Agreement (incorporated herein by reference to Exhibit 99.25 to the Amendment to Schedule 13D filed on February 4, 2016).
- 99.26** Loan Agreement, dated as of April 8, 2016, between Sears, Roebuck and Co., Sears Development Co., Innovel Solutions, Inc., Big Beaver of Florida Development, LLC and Kmart Corporation, and JPP, LLC, JPP II, LLC and Cascade Investment, L.L.C. (incorporated herein by reference to Exhibit 99.26 to the Amendment to Schedule 13D filed on April 12, 2016).
- 99.27** Co-Lender Agreement, dated as of April 8, 2016, by and among JPP, LLC and JPP II, LLC, and Cascade Investment, L.L.C. and each transferee of a portion of any interest in the loan made in accordance with the Co-Lender Agreement (incorporated herein by reference to Exhibit 99.27 to the Amendment to Schedule 13D filed on April 12, 2016).
- 99.28** Assignment and Acceptance, dated as of April 8, 2016, by and between Bank of America, N.A., as assignor, and JPP II, LLC, as assignee (incorporated herein by reference to Exhibit 99.28 to the Amendment to Schedule 13D filed on August 26, 2016).
- 99.29** Assignment and Acceptance, dated as of April 8, 2016, by and between Bank of America, N.A., as assignor, and JPP, LLC, as assignee (incorporated herein by reference to Exhibit 99.29 to the Amendment to Schedule 13D filed on August 26, 2016).
- 99.30** Second Lien Credit Agreement, dated as of September 1, 2016, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, and JPP, LLC and JPP II, LLC (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on September 2, 2016).
- 99.31** Pari Passu Joinder Agreement, dated as of September 1, 2016, by JPP, LLC, as agreed to and accepted by Wilmington Trust, National Association, as collateral agent (incorporated herein by reference to Exhibit 99.31 to the Amendment to Schedule 13D filed on September 2, 2016).
- 99.32** Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, Citibank, N.A., as administrative agent and issuing bank, and JPP, LLC and JPP II, LLC (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on December 30, 2016).
- 99.33** Loan Agreement, dated as of January 3, 2017, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC and Kmart Corporation, collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on January 4, 2017).
- 99.34** Omnibus Amendment to Loan Documents and Request for Advance to Loan Agreement, dated as of January 12, 2017 among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC and Kmart Corporation, collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.59 to Holdings Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 21, 2017).



- 99.35** First Amendment dated March 2, 2017, to Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the financial institutions party thereto from time to time as L/C Lenders, and Citibank, N.A., as Administrative Agent and Issuing Bank (incorporated herein by reference to Exhibit 10.60 to Holdings Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 21, 2017).
- 99.36** Amended and Restated Loan Facility, dated as of May 22, 2017, by and among Roebuck and Co., Sears Development Co., Innovel Solutions, Inc., Big Beaver of Florida Development, LLC and Kmart Corporation with JPP, LLC, JPP II, LLC, and Cascade Investment, L.L.C. (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on May 24, 2017).

- 99.37** Amended and Restated Co-Lender Agreement, dated as of May 22, 2017, by and among JPP, LLC and JPP II, LLC, Cascade Investment, L.L.C., Petrus Yield Opportunity Fund, LP, Rimrock High Income Plus (Master) Fund, Ltd., Rimrock Low Volatility (Master) Fund, Ltd, Paragon SHC LLC, Paragon SHC II LLC, and each transferee of a portion of any interest in the loan made in accordance with the Amended and Restated Co-Lender Agreement (incorporated herein by reference to Exhibit 99.37 to the Amendment to Schedule 13D filed on May 24, 2017).
- 99.38** Amendment to Amended and Restated Loan Agreement, dated as of July 3, 2017, by and among Roebuck and Co., Sears Development Co., Innovel Solutions, Inc., Big Beaver of Florida Development, LLC and Kmart Corporation with JPP, LLC, JPP II, LLC, and Cascade Investment, L.L.C. (incorporated herein by reference to Exhibit 99.38 to the Amendment to Schedule 13D filed on July 10, 2017).
- 99.39** First Amendment to Second Lien Credit Agreement (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on July 7, 2017).
- 99.40** Line of Credit Loan Proposal to JPP, LLC, dated as of July 13, 2017 (incorporated herein by reference to Exhibit 99.40 to the Amendment to Schedule 13D filed on July 17, 2017).
- 99.41** Line of Credit Loan Proposal to JPP II, LLC, dated as of July 13, 2017 (incorporated herein by reference to Exhibit 99.41 to the Amendment to Schedule 13D filed on July 17, 2017).
- 99.42** Line of Credit Lender Joinder Agreement, dated as of July 13, 2017, by and among JPP, LLC, and JPP II, LLC, Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, and JPP, LLC, in its capacity as administrative agent and collateral administrator (incorporated herein by reference to Exhibit 99.42 to the Amendment to Schedule 13D filed on July 17, 2017).
- 99.43** Second Amendment to Letter of Credit and Reimbursement Agreement, dated as of August 1, 2017, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the financial institutions party thereto from time to time as LC Lenders, and Citibank, N.A., as Administrative Agent and Issuing Bank (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on August 3, 2017).
- 99.44** Form of Assignment and Acceptance Agreement (incorporated herein by reference to Exhibit 99.44 to the Amendment to Schedule 13D filed on August 3, 2017).
- 99.45** Third Amendment to Letter of Credit and Reimbursement Agreement, dated as of August 9, 2017, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the financial institutions party thereto from time to time as LC Lenders, and Citibank, N.A., as Administrative Agent and Issuing Bank (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on August 10, 2017).
- 99.46** Amended and Restated Loan Agreement, dated as of October 4, 2017, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc. and Troy Coolidge No. 13, LLC collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on October 4, 2017).
- 99.47** Second Amended and Restated Loan Agreement, dated as of October 18, 2017, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc., Troy Coolidge No. 13, LLC, Sears Development Co. and Big Beaver of Florida Development, LLC, collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission

on October 19, 2017).

**99.48** Amendment to Second Amended and Restated Loan Agreement, dated as of October 25, 2017, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc., Troy Coolidge No. 13, LLC, Sears Development Co. and Big Beaver of Florida Development, LLC, collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on October 30, 2017).

- 99.49** Second Amendment to Amended and Restated Loan Agreement, dated as of October 25, 2017, among Sears Roebuck and Co., Sears Development Co., Innoval Solutions Inc., Big Beaver of Florida Development, LLC and Kmart Corporation, collectively as borrower, and JPP, LLC, JPP II, LLC and Cascade Investment, L.L.C. collectively as initial lenders (incorporated herein by reference to Exhibit 10.2 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on October 30, 2017).
- 99.50** Term Loan Credit Agreement, dated as of January 4, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the subsidiaries of Sears Holdings Corporation party thereto, the lenders party thereto from time to time, and JPP, LLC, as administrative and collateral agent (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on January 10, 2018).
- 99.51** Second Amendment to Second Lien Credit Agreement, dated as of January 9, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, the guarantors party thereto, the lenders party thereto, and JPP, LLC, as administrative agent and collateral administrator (incorporated herein by reference to Exhibit 10.2 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on January 10, 2018).
- 99.52** Amendment to Term Loan Credit Agreement, dated as of January 29, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the subsidiaries of Sears Holdings Corporation party thereto, the lenders and other entities party thereto, and JPP, LLC, as administrative and collateral agent (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2018).
- 99.53** Third Amendment to Second Lien Credit Agreement, dated as of February 7, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the subsidiaries of Sears Holdings Corporation party thereto, the lenders party thereto, and JPP, LLC, as administrative and collateral administrator (incorporated herein by reference to Exhibit 10.2 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on February 13, 2018).
- 99.54** Third Amendment to Term Loan Credit Agreement, dated as of February 7, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the subsidiaries of Sears Holdings Corporation party thereto, the lenders party thereto, and JPP, LLC, as administrative and collateral administrator (incorporated herein by reference to Exhibit 10.3 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on February 13, 2018).
- 99.55** Second Amendment to Second Amended and Restated Loan Agreement, dated as of March 8, 2018, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innoval Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc. and Troy Coolidge No. 13, LLC collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender (incorporated herein by reference to Exhibit 10.1 to Holdings Current Report on Form 8-K filed with the Securities and Exchange Commission on March 14, 2018).

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 14, 2018

**ESL PARTNERS, L.P.**

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert  
Name: Edward S. Lampert  
Title: Chief Executive Officer

**SPE I PARTNERS, LP**

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert  
Name: Edward S. Lampert  
Title: Chief Executive Officer

**SPE MASTER I, LP**

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert  
Name: Edward S. Lampert  
Title: Chief Executive Officer

**RBS PARTNERS, L.P.**

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert  
Name: Edward S. Lampert  
Title: Chief Executive Officer

**ESL INVESTMENTS, INC.**

By: /s/ Edward S. Lampert  
Name: Edward S. Lampert  
Title: Chief Executive Officer

**EDWARD S. LAMPERT**

By: /s/ Edward S. Lampert

**ANNEX B**

**RECENT TRANSACTIONS BY THE REPORTING PERSONS IN THE SECURITIES OF  
SEARS HOLDINGS CORPORATION**

| <b>Entity</b>     | <b>Date of<br/>Transaction</b> | <b>Description<br/>of Transaction</b>   | <b>Shares<br/>Acquired</b> | <b>Price<br/>Per Share</b> |
|-------------------|--------------------------------|---|----------------------------|----------------------------|
| Edward S. Lampert | 02/28/2018                     | Grant of Shares Pursuant to a Letter<br>between Edward S. Lampert and<br>Holdings | 159,575                    | \$ 0                       |