

SEARS HOLDINGS CORP
Form SC 13D/A
December 30, 2016

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 49) *

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)

December 28, 2016

(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

7. Sole Voting Power

Number of

Shares

26,801,105 (1)

Beneficially

8. Shared Voting Power

Owned by

Each

0

9. Sole Dispositive Power

Reporting

Person

26,801,105 (1)

With

10. Shared Dispositive Power

37,572,920 (2)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

64,374,025 (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)

57.6% (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 6,328,687 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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

7. Sole Voting Power

Number of

Shares

150,124

Beneficially

8. Shared Voting Power

Owned by

Each

0

9. Sole Dispositive Power

Reporting

Person

150,124

With

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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016.

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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016.

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

27,144,570 (1)

Beneficially

8. Shared Voting Power

Owned by

Each

0

9. Sole Dispositive Power

Reporting

Person

27,144,570 (1)

With

10. Shared Dispositive Power

37,572,920 (2)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

64,717,490 (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)

57.9% (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 6,328,687 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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

7. Sole Voting Power

Number of

Shares

27,144,570 (1)

Beneficially

8. Shared Voting Power

Owned by

Each

0

9. Sole Dispositive Power

Reporting

Person

27,144,570 (1)

With

10. Shared Dispositive Power

37,572,920 (2)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

64,717,490 (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)

57.9% (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 6,328,687 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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

7. Sole Voting Power

Number of

Shares

64,717,490 (1)(2)

Beneficially

8. Shared Voting Power

Owned by

Each

0

9. Sole Dispositive Power

Reporting

Person

27,144,570 (1)

With

10. Shared Dispositive Power

37,572,920 (2)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

64,717,490 (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)

54.8% (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 6,328,687 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, and an aggregate of 11,137,152 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. 49 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 December 30, 2016, pursuant to the Extension Letter between Holdings and Mr. Lampert, Mr. Lampert acquired an additional 22,124 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 December 28, 2016, Holdings, through Sears Roebuck Acceptance Corp. and Kmart Corporation (collectively, the Borrowers), entities wholly-owned and controlled, directly or indirectly by Holdings, entered into a Letter of Credit and Reimbursement Agreement (the LC Facility Agreement) providing for a \$500 million secured standby letter of credit facility (the LC Facility) from JPP, LLC and JPP II, LLC (collectively, the Lenders), with Citibank, N.A., serving as administrative agent and issuing bank (the Issuing Bank). Mr. Lampert, Holdings Chief Executive Officer and Chairman, is the sole stockholder, chief executive officer and director of ESL, which controls the Lenders. On December 28, 2016, \$200 million of commitments were made available under the LC Facility, and, subject to the approval of the Lenders, up to an additional \$300 million in commitments may be obtained by Holdings from the Lenders (or other lenders) prior to December 28, 2017, the maturity date of the LC Facility.

The LC Facility is guaranteed by the same subsidiaries of Holdings that guarantee the obligations under the Third Amended and Restated Credit Agreement, dated as of July 21, 2015, among the Borrowers, Bank of America, N.A., as agent, and the lenders and other financial institutions party thereto (as amended, the Credit Agreement). The LC Facility is secured by the same collateral as the Credit Agreement, as well as by certain real estate. The Borrowers are required to reduce commitments under the LC Facility upon the occurrence of certain events, including certain asset sales and other financing transactions. To secure their obligation to participate in letters of credit issued under the LC Facility, the Lenders are required to maintain cash collateral on deposit with the Issuing Bank in an amount equal to 102% of the commitments under the LC Facility (the Lender Deposit).

The Borrowers are required to pay the Lenders an upfront fee equal to 1.50% of the amount of commitments provided under the LC Facility. In addition, the Borrowers are required to pay a commitment fee of 5.75% per annum on the amount of the Lender Deposit (as such amount may be increased from time to time in connection with establishing additional commitments), as well as certain other fees.

The LC Facility Agreement includes certain representations and warranties, affirmative and negative covenants and other undertakings, which are subject to important qualifications and limitations set forth in the Credit Agreement. The LC Facility Agreement also contains 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 an event of default occurs, the Lenders may terminate all or any portion of the commitments under the LC Facility, require the Borrowers to cash collateralize the LC Facility and/or exercise any rights they might have under any of the related facility documents (including against the collateral), subject to certain limitations.

The foregoing description of the LC Facility Agreement does not purport to be complete and is qualified in its entirety by reference to the Letter of Credit and Reimbursement Agreement filed as Exhibit 99.32 and incorporated by reference herein.

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 December 30, 2016, the Reporting Persons may be deemed to beneficially own the shares of Holdings Common Stock set forth in the table below.

| REPORTING PERSON | NUMBER | PERCENTAGE | SOLE VOTING POWER | SHARED | SOLE | SHARED |
|-----------------------|--------------------|-------------|-------------------|--------|----------------|----------------|
| | OF | OF | | VOTING | POSITIVE | DISPOSITIVE |
| | SHARES | SHARES | | POWER | POWER | POWER |
| | BENEFICIALLY OWNED | OUTSTANDING | | POWER | POSITIVE | DISPOSITIVE |
| ESL Partners, L.P. | 64,374,025 (1)(2) | 57.6% (3) | 26,801,105 (2) | 0 | 26,801,105 (2) | 37,572,920 (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. | 64,717,490 (1)(4) | 57.9% (5) | 27,144,570 (4) | 0 | 27,144,570 (4) | 37,572,920 (1) |
| ESL Investments, Inc. | 64,717,490 (1)(6) | 57.9% (7) | 27,144,570 (6) | 0 | 27,144,570 (6) | 37,572,920 (1) |
| Edward S. Lampert | 64,717,490 (1)(8) | 54.8% (9) | 64,717,490 (1)(8) | 0 | 27,144,570 (8) | 37,572,920 (1) |

- (1) This number includes 31,244,233 shares of Holdings Common Stock held by Mr. Lampert and 6,328,687 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 21,992,640 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)

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This is based upon 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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 21,992,640 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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 21,992,640 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, 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 21,992,640 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 107,033,252 shares of Holdings Common Stock outstanding as of December 5, 2016, as disclosed in Holdings Quarterly Report on Form 10-Q for the quarter ended October 29, 2016, that was filed by Holdings with the SEC on December 8, 2016, the 6,328,687 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:

| Exhibit | Description of Exhibit |
|----------------|--|
| 99.1 | 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). |
| 99.2 | 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). |
| 99.3 | 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). |
| 99.6 | Form of Letter (incorporated herein by reference to Exhibit 10.30 to Holdings Annual Report on Form 10-K filed on March 20, 2013). |
| 99.7 | 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). |
| 99.8 | 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). |
| 99.9 | 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). |
| 99.10 | Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.10 to the Amendment to Schedule 13D filed on October 17, 2014). |
| 99.11 | 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). |
| 99.12 | 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). |
| 99.13 | 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). |
| 99.14 | 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). |
| 99.15 | Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.15 to the |

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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).

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: December 30, 2016

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**

| Entity | Date of Transaction | Description of Transaction | Shares Acquired | Shares Disposed | Price Per Share |
|-------------------|----------------------------|---|------------------------|------------------------|------------------------|
| Edward S. Lampert | 12/30/2016 | Grant of Shares Pursuant to a Letter between Edward S. Lampert and Holdings | 22,124 | | \$ 0 |

EXHIBIT INDEX

| Exhibit | Description of Exhibit |
|----------------|--|
| 99.1 | 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). |
| 99.2 | 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). |
| 99.3 | 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). |
| 99.6 | Form of Letter (incorporated herein by reference to Exhibit 10.30 to Holdings Annual Report on Form 10-K filed on March 20, 2013). |
| 99.7 | 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). |
| 99.8 | 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). |
| 99.9 | 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). |
| 99.10 | Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.10 to the Amendment to Schedule 13D filed on October 17, 2014). |
| 99.11 | 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). |
| 99.12 | 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). |
| 99.13 | 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). |
| 99.14 | 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). |
| 99.15 | 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).
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