

SEARS HOLDINGS CORP

Form 4

October 11, 2016

FORM 4

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

OMB APPROVAL

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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 *

FAIRHOLME CAPITAL
MANAGEMENT LLC

(Last) (First) (Middle)

4400 BISCAYNE
BOULEVARD, 9TH FLOOR

(Street)

MIAMI, FL 33137

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

SEARS HOLDINGS CORP [SHLD]

3. Date of Earliest Transaction

(Month/Day/Year)

10/07/2016

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)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Shares, \$.01 par value | 10/07/2016 | | S ⁽¹⁾ | 11,700 D \$ 11.68 | 27,756,048 | I | See Footnote (2) |
| Common Shares, \$.01 par value | | | | | 16,291,673 | I | See Footnote (3) |
| Common Shares, \$.01 par value | | | | | 71,700 | D ⁽⁴⁾ | |

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

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(9-02)

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

| 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 |
|---|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|-------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | 10/07/2016 | | S ⁽¹⁾ | 1,407 | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 | 1,561 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | | | | | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 | 0 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | | | | | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 | 0 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |

| | | |
|--|---|---|
| FAIRHOLME CAPITAL MANAGEMENT LLC 4400 BISCAYNE BOULEVARD 9TH FLOOR MIAMI, FL 33137 | X | X |
| BERKOWITZ BRUCE R C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C. 4400 BISCAYNE BOULEVARD, 9TH FLOOR MIAMI, FL 33137 | X | X |

Signatures

| | |
|---|------------|
| Fairholme Capital Management, L.L.C., Bruce R. Berkowitz, By: /s/ Paul Thomson, (Attorney in Fact) | 10/11/2016 |
| **Signature of Reporting Person | Date |
| Bruce R. Berkowitz, By: /s/ Paul Thomson, Attorney-in-fact | 10/11/2016 |
| **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 securities were held in an account managed by Fairholme Capital Management, LLC ("Fairholme") and were sold pursuant to client instructions. Fairholme does not have any direct or indirect pecuniary interest in the managed account because Fairholme (i) does not receive any incentive compensation from the managed account and (ii) does not have a direct or indirect interest in the managed account.

The securities may be deemed to be beneficially owned by Mr. Bruce R. Berkowitz ("Mr. Berkowitz") because he controls the sole member of Fairholme, which may be deemed to have beneficial ownership of the securities because Fairholme serves as the investment manager to separate series of a registered investment company and certain private funds and managed accounts. The Reporting Persons
 - (2) disclaim beneficial ownership in the securities reported on this Form 4 except to the extent of its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that the Reporting Persons are the beneficial owners of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

The reported securities are directly owned by The Fairholme Fund and The Fairholme Allocation Fund (each, a "Fund"), each a series of Fairholme Funds, Inc. The securities may be deemed to be beneficially owned by Mr. Berkowitz because he controls the sole member of Fairholme, which may be deemed to have beneficial ownership of the securities because Fairholme serves as the investment manager to
 - (3) each Fund and certain private funds and managed accounts. Each Fund and the Reporting Persons disclaim beneficial ownership in the securities reported on this Form 4 except to the extent of its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that the Fund and the Reporting Persons are the beneficial owners of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
 - (4) The reported securities are directly owned by Mr. Berkowitz.

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.