

BERKOWITZ BRUCE R  
Form 4  
October 13, 2017

**FORM 4**

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

OMB APPROVAL

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**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)  
10/12/2017

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 Ownership (Instr. 4) |            |   |                             |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|------------|---|-----------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |            |   |                             |
| Common Shares, \$.01 par value  | 10/12/2017                           |  | J <sup>(1)</sup>               |   | 491,064   | D  | \$ 0                              | 28,352,684 | I | See Footnote <sup>(2)</sup> |
| Common Shares, \$.01 par value  | 10/12/2017                           |  | J <sup>(3)</sup>               |   | 975,204   | D  | \$ 0                              | 27,377,480 | I | See Footnote <sup>(2)</sup> |
| Common Shares, \$.01 par value  | 10/12/2017                           |  | J <sup>(3)</sup>               |   | 975,204   | A  | \$ 0                              | 28,352,684 | I | See Footnote <sup>(2)</sup> |

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|                                 |            |             |         |   |      |                                  |                         |                         |
|---------------------------------|------------|-------------|---------|---|------|----------------------------------|-------------------------|-------------------------|
| Common Shares, \$0.01 par value | 10/12/2017 | <u>J(4)</u> | 946,816 | D | \$ 0 | 27,405,868                       | I                       | See Footnote <u>(2)</u> |
| Common Shares, \$0.01 par value | 10/12/2017 | <u>J(4)</u> | 946,816 | A | \$ 0 | <u>27,218,418</u> <sup>(5)</sup> | I                       | See Footnote <u>(2)</u> |
| Common Shares, \$0.01 par value | 10/12/2017 | <u>J(6)</u> | 727,816 | D | \$ 0 | 799,516                          | <u>D</u> <sup>(7)</sup> |                         |
| Common Shares, \$0.01 par value |            |             |         |   |      | 16,291,673                       | I                       | See Footnote <u>(8)</u> |

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

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

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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 Underlying (Instr. 3 and 4) |
|---|--|--------------------------------------|--|--------------------------------|---|--|--|
|   |  |                                      |  | Code V (A) (D)                 |   | Date Exercisable Expiration Date                         | Title                                    |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686  | 10/12/2017                           |  | <u>J(1)</u>                    | 546,747   | 11/18/2014 12/15/2019                                    | Common Stock, par value \$0.01           |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686  | 10/12/2017                           |  | <u>J(3)</u>                    | 1,085,782   | 11/18/2014 12/15/2019                                    | Common Stock, par value \$0.01           |

|   |           |            |                  |           |            |            |                                |
|---|-----------|------------|------------------|-----------|------------|------------|--------------------------------|
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | 10/12/2017 | J <sup>(3)</sup> | 1,085,782 | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | 10/12/2017 | J <sup>(4)</sup> | 1,054,177 | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | 10/12/2017 | J <sup>(4)</sup> | 1,054,177 | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 | 10/12/2017 | J <sup>(6)</sup> | 810,345   | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 |
| Warrants to Purchase Common Stock, par value \$0.01 | \$ 25.686 |            |                  |           | 11/18/2014 | 12/15/2019 | Common Stock, par value \$0.01 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| FAIRHOLME CAPITAL MANAGEMENT LLC<br>4400 BISCAYNE BOULEVARD<br>9TH FLOOR<br>MIAMI, FL 33137 | X             | X         |         |       |
| BERKOWITZ BRUCE R<br>C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C.                               | X             | X         |         |       |

4400 BISCAYNE BOULEVARD, 9TH FLOOR  
 MIAMI, FL 33137

## Signatures

Fairholme Capital Management, L.L.C., Bruce R. Berkowitz, By: /s/ Paul Thomson, (Attorney in Fact) 10/13/2017

\_\_Signature of Reporting Person Date

Bruce R. Berkowitz, By: /s/ Paul Thomson, Attorney-in-fact 10/13/2017

\_\_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) Represents a pro-rata in-kind distribution of Common Shares of the Issuer by a private fund managed by Fairholme Capital Management, LLC ("Fairholme") to its limited partners into accounts over which the Reporting Persons no longer have beneficial ownership. The distribution was made pursuant to a previously approved plan of liquidation and termination of the private fund. The Reporting Persons disclaim beneficial ownership in the private fund except to the extent of its pecuniary interest, if any, therein.

(2) 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 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.

(3) Represents a pro-rata in-kind distribution of Common Shares of the Issuer by a private fund managed by Fairholme to its limited partners into accounts managed by Fairholme. The distribution was made pursuant to a previously approved plan of liquidation and termination of the private fund. Fairholme does not have any direct or indirect pecuniary interest in the managed accounts because Fairholme (i) does not receive any incentive compensation from the managed accounts and (ii) does not have a direct or indirect interest in the managed accounts. The Reporting Persons disclaim beneficial ownership in the private fund except to the extent of its pecuniary interest, if any, therein.

(4) Represents a pro-rata in-kind distribution of Common Shares of the Issuer by a private fund managed by Fairholme to its limited partners into accounts managed by Fairholme. The distribution was made pursuant to a previously approved plan of liquidation and termination of the private fund. The Reporting Persons disclaim beneficial ownership in the private fund and in the accounts except to the extent of its pecuniary interest, if any, therein.

(5) In addition to the 946,816 securities reported in Column 4, the amount reported in Column 5 accounts for 406,450 shares now held in accounts over which the Reporting Persons no longer have beneficial ownership.

(6) Represents a pro-rata in-kind distribution of Common Shares of the Issuer by a private fund managed by Fairholme to one of Mr. Berkowitz's personal accounts. The distribution was made pursuant to a previously approved plan of liquidation and termination of the private fund. The Reporting Persons disclaim beneficial ownership in the private fund except to the extent of its pecuniary interest, if any, therein.

(7) The reported securities are directly owned by Mr. Berkowitz.

(8) 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 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.

(9) In addition to the 1,054,177 derivative securities reported in Column 5, the amount reported in Column 9 accounts for 59,533 derivative securities now held in accounts over which the Reporting Persons no longer have beneficial ownership.

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.