

SEARS HOLDINGS CORP
Form SC 13D/A
March 22, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
Under The Securities Exchange Act of 1934
(Amendment No. 6)*

Sears Holdings Corporation
(Name of Issuer)

Common Shares, \$.01 par value
(Title of Class of Securities)

812350106
(CUSIP Number)

Bruce R. Berkowitz
c/o Fairholme Capital Management, L.L.C.
4400 Biscayne Boulevard, 9th Floor
Miami, FL 33137
(305) 358-3000
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 17, 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
ss.240.13D-1(e),

240.13d-1(f) or
240.13d-1(g),
check the
following box
[X].

Note: Schedules
filed in paper
format shall
include a signed
original and five
copies of the
schedule,
including all
exhibits. See
Rule 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 ("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. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Fairholme Capital Management, L.L.C.

CHECK THE

APPROPRIATE BOX IF

2. A MEMBER OF A

GROUP*

(a) ☐

(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) ☐
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

20,706,073

SOLE
9.DISPOSITIVE
POWER

0

10.SHARED DISPOSITIVE POWER ☐

25,792,248

11.AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

25,792,248

12.CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13.PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

24.2%

14.TYPE OF REPORTING PERSON*

IA

CUSIP No. 812350106

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Bruce R. Berkowitz

CHECK THE
APPROPRIATE

2. BOX IF A
MEMBER OF A
GROUP*

(a) ☐

(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)
OR 2(e) ☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

7. SOLE VOTING POWER

913,000

8. SHARED VOTING POWER

20,706,073

SOLE
9.DISPOSITIVE
POWER

913,000

10.SHARED DISPOSITIVE POWER ☐

25,792,248

11.AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

26,705,248

12.CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13.PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.0%

14.TYPE OF REPORTING PERSON*

IN, HC

CUSIP No. 812350106

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Fairholme Funds, Inc.

CHECK THE
APPROPRIATE

2. BOX IF A
MEMBER OF A
GROUP*

(a) ☐

(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS*

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) ☐
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Maryland

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

16,291,673

9.

SOLE
DISPOSITIVE
POWER

0

10.SHARED DISPOSITIVE POWER ☐

16,291,673

11.AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

16,291,673

12.CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13.PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

15.3%

14.TYPE OF REPORTING PERSON*

IV

CUSIP No. 812350106

Security and Issuer.

- Item 1. No material changes from the Schedule 13D filed by Fairholme Capital Management, L.L.C., a Delaware limited liability company ("Fairholme"), Fairholme Funds, Inc. (the "Fund"), a Maryland investment company, and Mr. Bruce R. Berkowitz, a United States citizen (collectively with Fairholme and the Fund, the "Reporting Persons") on February 25, 2016.

Identity and Background.

(a-c, f) This Schedule 13D/A is being filed jointly by the Reporting Persons. The principal business address of the Reporting Persons is 4400 Biscayne Boulevard, 9th Floor, Miami, Florida 33137.

- Mr. Berkowitz controls the sole member of Fairholme, an investment management firm that serves as the general partner, managing member and investment adviser to several investment funds, both public and private, including the Fund and separately managed accounts (collectively, the "Fairholme Funds").
- Item 2.

(d) Mr. Berkowitz has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

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

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. Purpose of Transaction.

The Reporting Persons have acquired their Shares of the Issuer for investment. The Reporting Persons evaluate their investment in the Shares on a continual basis.

The Reporting Persons reserve the right to be in contact with members of the Issuer's management, the members of the Issuer's Board of Directors, other significant shareholders and others regarding alternatives that the Issuer could employ to increase shareholder value. In addition, the Reporting Persons will be in contact with members of the Issuer's management, the members of the Issuer's Board of Directors, other significant shareholders and others regarding the Reporting Persons' views on the long-term prospects of the Issuer. The contact may include proposing or considering any of the actions enumerated in Item 4 of the instructions to Schedule 13D.

Mr. Berkowitz, the control person of the sole member of Fairholme, accepted an invitation from the Issuer to join the Issuer's Board of Directors effective February 24, 2016.

The Reporting Persons reserve the right to effect transactions that would change the number of shares they may be deemed to beneficially own.

Item 5. Interest in Securities of the Issuer.

(a-e) As of the date hereof, Fairholme may be deemed to be the beneficial owner of 25,792,248 Shares (24.2%) of the Issuer, based upon the 106,767,902 Shares outstanding as of March 10, 2016, according to the Issuer. Fairholme has the sole power to vote or direct the vote of 0 Shares, Fairholme has the shared power to vote or direct the vote of 20,706,073 Shares, Fairholme has the sole power to dispose or direct the disposition of 0 Shares and Fairholme has the shared power to dispose or direct the disposition of 25,792,248 Shares to which this filing relates.

The Fund may be deemed to be the beneficial owner of 16,291,673 Shares (15.3%) of the Issuer, based upon the 106,767,902 Shares outstanding as of March 10, 2016, according to the Issuer. The Fund has the sole power to vote or direct the vote of 0 Shares, the Fund has the shared power to vote or direct the vote of 16,291,673 Shares, the Fund has the sole power to dispose or direct the disposition of 0 Shares and the Fund has the shared power to dispose or direct the disposition of 16,291,673 Shares to which this filing relates. Of the 16,291,673 Shares deemed to be beneficially owned by the Fund, 14,497,773 are owned by The Fairholme Fund and 1,793,900 are owned by The Fairholme Allocation Fund, each a series of the Fund.

Mr. Berkowitz may be deemed to be the beneficial owner of 26,705,248 Shares (25.0%) of the Issuer, based upon the 106,767,902 Shares outstanding as of March 10, 2016, according to the Issuer. Mr. Berkowitz has the sole power to vote or direct the vote of 913,000 Shares, Mr. Berkowitz has the shared power to vote or direct the vote of 20,706,073 Shares, Mr. Berkowitz has the sole power to dispose or direct the disposition of 913,000 Shares and Mr. Berkowitz has the shared power to dispose or direct the disposition of 25,792,248 Shares to which this filing relates.

The trading dates, number of Shares purchased or sold and the price per share for all transactions in the Shares during the last 60 days by the Reporting Persons are set forth in Exhibit 99.2 and were effected in the open market.

The Reporting Persons specifically disclaim beneficial ownership in the Shares reported herein except to the extent of their pecuniary interest therein.

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

Not applicable.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.1 Joint Filing Statement

Exhibit 99.2 A description of the transactions in the Shares that were effected by the Reporting Persons during the last 60 days.

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.

March 22, 2016
(Date)

Fairholme Capital Management, L.L.C.

By: /s/ Paul Thomson
Chief Compliance Officer

Bruce R. Berkowitz

By: /s/ Paul Thomson
(Attorney-in-fact)

Fairholme Funds, Inc.

By: /s/ Paul Thomson
Chief Compliance Officer
Fairholme Capital Management, L.L.C.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Paul R. Thomson, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his capacity as the controlling person of the sole member of Fairholme Capital Management, LLC, for the sole purpose of signing on his behalf any and all Regulatory Filings under the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 and any amendments and supplements thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to accomplish the above, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, and may lawfully do or cause to be done by virtue hereof. This Power of Attorney shall continue effective until revoked by me at any time.

Dated this 22nd day of March, 2016.

Fairholme Capital Management, LLC

By: Fairholme Holdings, LLC, Sole Member

By: /s/ Bruce R. Berkowitz

Bruce R. Berkowitz, Controlling Person