

SEARS HOMETOWN & OUTLET STORES, INC.
Form SC 13D/A
November 04, 2016

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 10)*

Sears Hometown and Outlet Stores, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

812362101

(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)

November 2, 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. 812362101

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 **4,771,352**
8. Shared Voting Power

Beneficially

Owned by **0**
Each 9. Sole Dispositive Power

Reporting

Person With **4,771,352**
10. Shared Dispositive Power

7,540,598

11. Aggregate Amount Beneficially Owned by Each Reporting Person

12,311,950

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

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

54.2% (1)

14. Type of Reporting Person (See Instructions)

PN

(1) Based upon 22,716,132 shares of Common Stock outstanding as of August 31, 2016, as disclosed in the Issuer's Quarterly Report on Form 10-Q for the quarter ended July 30, 2016 that was filed by the Issuer with the Securities and Exchange Commission on September 2, 2016.

CUSIP No. 812362101

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

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(a) (b)

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4. Source of Funds (See Instructions)

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CUSIP No. 812362101

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 **12,311,950**
8. Shared Voting Power

Beneficially

Owned by **0**
Each 9. Sole Dispositive Power

Reporting

Person With **4,771,352**
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(1) Based upon 22,716,132 shares of Common Stock outstanding as of August 31, 2016, as disclosed in the Issuer's Quarterly Report on Form 10-Q for the quarter ended July 30, 2016 that was filed by the Issuer with the Securities and Exchange Commission on September 2, 2016.

This Amendment No. 10 to Schedule 13D (this Amendment No. 10) relates to shares of common stock, par value \$0.01 per share (the Common Stock), of Sears Hometown and Outlet Stores, Inc., a Delaware corporation (the Issuer). This Amendment No. 10 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 Master I, LP, a Delaware limited partnership, RBS Partners, L.P., a Delaware limited partnership (RBS), ESL Institutional Partners, L.P., a Delaware limited partnership, RBS Investment Management, L.L.C., a Delaware limited liability company, CRK Partners, LLC, a Delaware limited liability company, 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 No. 10, 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 filed with the Securities and Exchange Commission.

Item 2. Identity and Background.

Item 2(a) is hereby amended and restated in its entirety as follows:

(a) This Schedule 13D is being filed by Partners, RBS, ESL and Edward S. Lampert, by furnishing the information set forth below. Partners, RBS, ESL and Mr. Lampert are collectively defined as the Reporting Persons.

Attached as Annex A hereto and incorporated herein by reference is a list containing the (a) name, (b) citizenship, (c) present principal occupation or employment and (d) the name, principal business address of any corporation or other organization in which such employment is conducted, of each director and executive officer of ESL (the ESL Director and Officers). Other than the ESL Director and Officers, there are no persons or corporations controlling or ultimately in control of ESL.

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

Item 3 is hereby amended and supplemented as follows:

In various open market purchases between October 31, 2016 and November 3, 2016, Mr. Lampert acquired an aggregate of 284,814 shares of Common Stock for aggregate consideration of approximately \$1,394,861 (excluding commissions) using personal funds.

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 Schedule 13D 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 Schedule 13D.

Each Reporting Person may be deemed to be a member of a group with respect to the Issuer or securities of the Issuer for the purposes of Section 13(d) or 13(g) of the Act. Each Reporting Person declares that neither the filing of this Schedule 13D 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 the Issuer or otherwise with respect to the Issuer or any securities of the Issuer or (ii) a member of any syndicate or group with respect to the Issuer or any securities of the Issuer.

As of the time of filing on November 4, 2016, the Reporting Persons may be deemed to beneficially own the shares of Common Stock of the Issuer set forth in the table below.

REPORTING PERSON	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES	SOLE VOTING POWER	SHARED VOTING POWER	SOLE POSITIVE DISPOSITIVE POWER	SHARED POSITIVE DISPOSITIVE POWER
ESL Partners, L.P.	12,311,950 (1)	54.2%	4,771,352	0	4,771,352	7,540,598 (1)
RBS Partners, L.P.	12,311,950 (1)(2)	54.2%	4,771,352 (2)	0	4,771,352 (2)	7,540,598 (1)
ESL Investments, Inc.	12,311,950 (1)(3)	54.2%	4,771,352 (3)	0	4,771,352 (3)	7,540,598 (1)
Edward S. Lampert	12,311,950 (1)(4)	54.2%	12,311,950 (1)(4)	0	4,771,352 (3)	7,540,598 (1)

- (1) This number includes 7,540,598 shares of Common Stock held by Mr. Lampert. Partners has entered into the Lock-Up Agreement with Mr. Lampert that restricts the purchase and sale of securities held 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 4,771,352 shares of Common Stock held by Partners. RBS is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Partners.
- (3) This number includes 4,771,352 shares of Common Stock held by Partners. ESL is the general partner of, and may be deemed to indirectly beneficially own securities owned by, RBS.
- (4) This number includes 4,771,352 shares of Common Stock 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 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
99.2	Letter Agreement, dated June 2, 2010, by and between ESL Partners, L.P. and Edward S. Lampert (incorporated by reference to Exhibit 99.2 to the Schedule 13D relating to the Common Stock of the Issuer filed on September 12, 2012 by the Reporting Persons, SPE I Partners, LP, SPE Master I, LP, ESL Institutional Partners, L.P., RBS Investment Management, L.L.C. and CRK Partners, LLC with the Securities and Exchange Commission).

99.6 Joint Filing Agreement (incorporated by reference to Exhibit 99.6 to the Schedule 13D relating to the Common Stock of the Issuer filed on January 5, 2016 by the Reporting Persons with the Securities and Exchange Commission).

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: November 4, 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

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

EXHIBIT INDEX

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ANNEX A

The names, business addresses, present principal occupations, and citizenship of the directors and executive officers of ESL Investments, Inc. are set forth below. The director's or executive officer's principal business address is 1170 Kane Concourse, Suite 200, Bay Harbor, Florida 33154. Each occupation set forth opposite an individual's name refers to ESL Investments, Inc.

Name and Business Address	Principal Occupation	Citizenship
Edward S. Lampert	Director, Chairman and Chief Executive Officer; Chairman and Chief Executive Officer of Sears Holding Corporation	United States
Robert Breyer	Chief Compliance Officer	United States
Harold Talisman	Chief Financial Officer	United States
Kunal Kamlani	President	United States

ANNEX B

RECENT TRANSACTIONS BY THE REPORTING PERSONS IN THE SECURITIES OF SEARS HOMETOWN AND OUTLET STORES, INC.

Entity	Date of Transaction	Description of Transaction	Shares Acquired	Shares Disposed	Price Per Share
Edward S. Lampert	10/31/2016	Open Market Purchase	1,300		\$ 4.85
Edward S. Lampert	11/02/2016	Open Market Purchase	256,975		\$ 4.899
Edward S. Lampert	11/03/2016	Open Market Purchase	26,539		\$ 4.8847