

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	Chapter 11
	)	
SEARS HOLDINGS CORPORATION., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-23538 (RDD)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**NOTICE OF RECLAMATION DEMAND OF WHIRLPOOL CORPORATION**

**PLEASE TAKE NOTICE** that Whirlpool Corporation and its affiliates, subsidiaries and divisions (“Claimant”), by and through its undersigned counsel, hereby files this notice of the delivery of a written demand letter dated October 25, 2018, pursuant to 11 U.S.C. § 546(c), 11 U.C.C. § 2-702, and applicable non-bankruptcy law, on the above captioned debtors and debtors in possession (the “Debtors”) to reclaim certain goods (the “Goods”) which were sold by Claimant to the Debtors in the ordinary course of business, and which were received by the Debtors during the 45 days prior to the filing of the Debtors’ chapter 11 bankruptcy cases. Claimant incorporates herein by reference a copy of its formal reclamation demand letter attached as Exhibit 1, which has been delivered to the Debtors and counsel by overnight mail and electronic mail.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PLEASE TAKE FURTHER NOTICE that Claimant reserves all of its rights with respect to the Goods, including, without limitation, (i) its right to be paid in the ordinary course of business as a post-petition creditor of the Debtors to the extent the Goods were delivered to the Debtors on or after October 15, 2018; (ii) its right to assert a 20-day administrative priority claim pursuant to 11 U.S.C. § 503(b)(9); (iii) its right to assert a “new value” defense to any preference demand pursuant to 11 U.S.C. § 547(c)(4); (iv) its right to demand payment of any portion of these invoices as a “cure” payment in connection with the Debtors’ assumption of any executory contract, if any, pursuant to 11 U.S.C. § 365; (v) its right to seek payment of its prepetition invoices from any non-debtor parties that are co-obligors; (vi) its right to file additional demands or claims, including without limitation, a proof of claim; and/or (vii) its right to assert any other rights under applicable law. By filing this Notice, Claimant does not consent to entry of final orders of the bankruptcy court on non-core issue and claims, and does not waive any jurisdictional defenses and Claimant reserves its rights to amend this Notice.

Dated: October 25, 2018

*/s/ Bradley R. Schneider*  
\_\_\_\_\_  
Bradley R. Schneider

**MUNGER TOLLES & OLSON LLP**

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Counsel for **WHIRLPOOL CORPORATION**

# Exhibit 1

Reclamation Demand, Pg 2 of 3  
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VIA FEDERAL EXPRESS

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Sears Holdings Management Corporation  
Attn: General Counsel  
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Re: Reclamation demand by Whirlpool Corporation and its affiliates, subsidiaries and divisions (collectively, “Whirlpool”) upon the debtors in the cases jointly administered under In re Sears Holdings Corporation, et al., Case No. 18-23538 (Bankr. S.D.N.Y.) (the “Debtors”)

As you know, this firm represents Whirlpool in connection with the above-captioned chapter 11 bankruptcy proceeding. Demand is hereby made upon you pursuant to section 546(c) of the United States Bankruptcy Code and Uniform Commercial Code § 2-702 (810 Ill. Comp. Stat. 5/2-702) for return of all goods and merchandise received by the Debtors from Whirlpool

MUNGER, TOLLES & OLSON LLP

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within forty-five days prior to the date the Debtors filed for chapter 11 protection (the “Reclamation Goods”). The Reclamation Goods include, without limitation, those items identified on the Excel filed contained on the encrypted drive enclosed with this letter. The password for the file is: QEx7Qr58sesp.

Whirlpool demands that the Debtors protect and segregate the Reclamation Goods and refrain from selling, disposing, or using the Reclamation Goods for any purpose whatsoever, except those specifically authorized following notice and a hearing by the Bankruptcy Court. Whirlpool further demands an opportunity to inspect and identify the Reclamation Goods and an accounting of the Reclamation Goods on hand at the time this letter is received and any Reclamation Goods sold after the Debtors filed for chapter 11 protection.

This letter is not a waiver or relinquishment of any rights or remedies available to Whirlpool, including the right of Whirlpool to assert an administrative claim pursuant to section 503(b)(9) of the Bankruptcy Code (which right is expressly reserved). Whirlpool reserves all other rights, claims, remedies, defenses, and offsets to the fullest extent.

Thank you for your attention in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bradley R. Schneider", written in a cursive style.

Bradley R. Schneider

BRS/vl  
Enclosure