

LEWIS AYLWIN B
Form 4
January 31, 2006

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 *
LEWIS AYLWIN B

(Last) (First) (Middle)
3333 BEVERLY ROAD
(Street)

HOFFMAN ESTATES, IL 60179

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SEARS HOLDINGS CORP [SHLD]

3. Date of Earliest Transaction
(Month/Day/Year)
10/18/2004

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)
CEO and President

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 Stock ⁽¹⁾ | 10/18/2004 ⁽²⁾ | | A | | 50,781 | A | \$ 0 |
| Common Stock ⁽¹⁾ | 03/24/2005 ⁽²⁾ | | A | | 8,011 | A | \$ 0 |
| Common Stock | 01/28/2006 | | F | | 4,827 | D | \$ 123.57 |
| | | | | | 50,781 | D | |
| | | | | | 58,792 | D | |
| | | | | | 53,965 | D | |

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

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number.

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Option (Right to Buy) | \$ 88.62 | 10/18/2004 ⁽²⁾ | | A | 150,000 | 01/28/2006 ⁽³⁾ 10/18/2014 | Common Stock 150,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LEWIS AYLWIN B 3333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179 | X | | CEO and President | |

Signatures

/s/Aylwin B.
Lewis

01/31/2006

**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) Vesting of these restricted stock grants is subject to the achievement of certain performance goals.

(2) Grant subject to approval of shareholders of Kmart Holding Corporation, which was received on March 24, 2005. Upon the closing of the business combination of Kmart Holding Corporation and Sears, Roebuck and Co. on that date, these securities converted to securities of Sears Holdings Corporation.

(3) The option grant vests in four equal annual installments on the last day of each of Sears Holdings Corporation's 2005, 2006, 2007 and 2008 fiscal years.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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