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July 19, 2023

**VIA FILE & SERVEXPRESS AND HAND DELIVERY**

The Honorable J. Travis Laster  
Vice Chancellor  
Court of Chancery, State of Delaware  
Leonard L. Williams Justice Center  
500 North King Street, Suite 11400  
Wilmington, DE 19801

**Re: *In re Sears Hometown and Outlet Stores, Inc. S'holder Litig.*,  
Consol. C.A. No. 2019-0798-JTL**

Dear Vice Chancellor Laster,

I am writing on behalf of the plaintiffs in the above-captioned action to provide the Court with a status report regarding notice to the class concerning the partial settlement with the settling defendants.

On December 29, 2022, defendants Edward S. Lampert, ESL Investments, Inc., ESL Partners, LP, RBS Partners, LP, Transform Holdco LLC, and Hometown Midco LLC (collectively, "ESL Defendants") filed a Notice of Suggestion of Pendency of Bankruptcy and Automatic Stay of Proceedings relating to Defendant Transform Merger Corporation ("Bankruptcy"). Dkt. 168.

As the Court may recall, on February 10, 2023, plaintiffs and Josephine Linden, Alberto Franco, and John Tober

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(collectively, “Settling Defendants”), filed a Stipulation and Agreement of Compromise, Settlement, and Release Between Lead Plaintiffs and the Settling Defendants (“Settlement Stipulation”). Dkt. 205. Section 11 of the Settlement Stipulation contemplates the debtor’s cooperation in providing to plaintiffs and the settlement administrator, A.B. Data, Ltd. (“A.B. Data”), a list of registered holders of Sears Hometown and Outlet Stores, Inc. (“SHOS”) common stock as set forth on SHOS’s stockholder register as of October 23, 2019 (“Merger Records”).

On March 6, the Court entered a scheduling order, which approved the form of notice and scheduled a settlement hearing for May 9, 2023. Dkt. 223.

On April 14, plaintiffs submitted a letter to the Court setting forth the parties’ unsuccessful efforts to obtain the Merger Records, which are necessary for A.B. Data to complete the notice process pursuant to the scheduling order. Dkt. 234.

On April 18, the Court entered an order vacating the scheduling order and cancelling the settlement hearing. Dkt. 235.

Between April 18 and May 8, plaintiffs requested Computershare Limited (“Computershare”), SHOS’s transfer agent, to assist with obtaining the Merger Records.

On May 8, Paul Devin, Computershare's Senior Corporate Counsel, responded to plaintiffs' request, stating:

The [requested] file contains personally identifiable information of the issuer/debtor's shareholders which Computershare has a legal duty to safeguard and protect. In the absence of the authorization and direction of the property's legal owner to make deliver[y] of the file, Computershare would look for some legal process as a basis for delivering the requested information. Computershare would certainly take appropriate steps to deliver any information which is the subject of a duly authorized subpoena, or an order of the court authorizing and directing Computershare to deliver the file. Computershare would make no objection to such an order. Either of those mechanisms would give Computershare a legal basis for delivering property that it maintains as agent on behalf of another party, without that principal party's express authority.

Later that day, plaintiffs' counsel requested defense counsel's assistance to obtain the necessary authorization.

On May 15, defendants' counsel spoke with counsel for the Chapter 7 trustee, who confirmed their willingness to authorize Computershare to provide the information.

On May 22, plaintiffs prepared a status report and proposed order to the Court, authorizing and directing Computershare to deliver the Merger Records to plaintiffs and A.B. Data. Plaintiffs shared a copy of the draft status report and proposed order with defendants' counsel before filing. Upon review, defendants' counsel expressed concern that the proposed order might violate the mandatory

stay in the Bankruptcy proceeding. Therefore, defendants recommended continuing to work with counsel for the Trustee, and if necessary, filing a motion to partially lift the stay to obtain a proper order from the Bankruptcy court before filing a letter and proposed order in this action.

Between May 22 and June 20, to advance the partial settlement, plaintiffs prepared a motion to partially lift the stay in the Bankruptcy proceeding (“Motion to Lift Stay”). The Motion to Lift Stay requested the Bankruptcy court to issue an order allowing plaintiffs to seek an order in this court authorizing and directing Computershare to deliver the Merger Records.

On June 26, counsel for the Chapter 7 trustee communicated to plaintiffs’ counsel that:

Computershare ... desire[s] to provide the list to the Trustee and remove themselves from the situation (various indemnification concerns/etc. have been an issue on their end). Paul Devin is speaking with his team regarding the logistics of the turnover. We hope to have the information next week, upon receipt of which we will review promptly and hopefully be able to convey it to you.

Between June 26, and July 11, plaintiffs communicated with counsel for the Chapter 7 trustee concerning the status of obtaining the Merger Records from Computershare.

On July 11, counsel for the Chapter 7 trustee responded that: “I have several emails into Computershare since the 6/23 exchange that they would be providing the list to the Trustee. So far, no list.” Later that day, plaintiffs communicated that it appeared necessary to file the Motion to Lift Stay and confirm that the Chapter 7 trustee would not oppose plaintiffs’ Motion to Lift Stay. Later still, plaintiffs sent an email to Mr. Devin at Computershare requesting that they promptly produce the Merger Records.

On July 17, Computershare informed plaintiffs that the requested list was in production and should be ready for delivery by the end of the week.

On July 18, Computershare confirmed that the Merger Records have been delivered to the Chapter 7 trustee, who is free to make onward delivery at their discretion.

Plaintiffs intend to follow up with counsel for the Chapter 7 trustee by no later than Wednesday, July 26, if the Merger Records are not produced by that date.

Once plaintiffs receive the Merger Records, plaintiffs’ counsel will advise the Court and request a new settlement hearing date to consider the proposed partial settlement.

Counsel is available to address any questions or concerns.

The Honorable J. Travis Laster  
July 21, 2023  
Page 6



Respectfully,

*/s/ David M. Sborz*

David M. Sborz (#6023)

Words: 927

DMS/dc

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