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IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

ROBERT F. BOOTH TRUST and RONALD  
GROSS, derivatively on behalf of nominal  
defendant SEARS HOLDINGS  
CORPORATION,

Plaintiff,

v.

WILLIAM C. CROWLEY, EDWARD S.  
LAMPERT, STEVEN T. MNUCHIN,  
RICHARD C. PERRY, ANN N. REESE,  
KEVIN B. ROLLINS, EMILY SCOTT and  
THOMAS J. TISCH,

Defendants,

and

SEARS HOLDINGS CORPORATION,  
Nominal Defendant.

No. 1:09-cv-05314

Hon. Ronald A. Guzmán

**PRELIMINARY APPROVAL ORDER**

This matter came before the Court on the application of the Settling Parties for preliminary approval of the proposed settlement (the "Settlement") set forth in the Amended Stipulation of Settlement, dated as of April 28, 2010 (the "Stipulation"). Due and adequate notice having been given to the Settling Parties, and the Court having considered the Stipulation and all other papers filed and proceedings had herein and otherwise being fully advised in the premises and good cause appearing therefore, IT IS HEREBY ORDERED:

1. This Order incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise

set forth herein.

2. This Court preliminarily approves the proposed Settlement, as set forth in the Stipulation.

3. In connection with preliminary approval of the proposed Settlement, the Court preliminarily finds, for the purposes of the Settlement, that the Action was properly brought pursuant to Federal Rule of Civil Procedure 23.1 as a shareholder derivative action on behalf of Sears, and that plaintiffs fairly and adequately represent the interests of Sears Shareholders in enforcing the rights of Sears.

4. The Court will hold a settlement hearing on July 9, 2010 at 10:00 a.m. in Courtroom 1219, United States District Court, Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604 (the "Settlement Hearing"): (i) to determine pursuant to Federal Rule of Civil Procedure 23.1 whether to grant final approval of the proposed Settlement as fair, reasonable and adequate and in the best interests of Sears and Sears Shareholders; (ii) to hear and determine any objections to the Settlement; (iii) to determine whether a Judgment substantially in the form attached as Exhibit A to the Stipulation should be entered dismissing all claims in the Amended Consolidated Derivative Complaint against the Released Persons with prejudice and releasing the claims released in the Stipulation; (iv) in the event the Court approves the Settlement, to rule upon an application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses; and (v) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

5. Notice of Sears' Settlement of Derivative Claims, including the date and time of the Settlement Hearing and the application of Plaintiffs' Counsel for fees and expenses, shall be

carried out as follows:

a. Within 21 days of the date of this Order, the Notice of Settlement, substantially in the form of Exhibit D to the Stipulation, shall be sent by U.S. First Class mail to all owners of Sears shares as of the date of this Order who can be identified using reasonable efforts. Pursuant to the Stipulation, Sears will bear the cost of complying with this requirement.

b. Within 28 days of the date of this Order, the Summary Notice, substantially in the form of Exhibit C to the Stipulation, shall be published once via the internet over PR Newswire, or an alternative national news service. The news service that issues the Summary Notice shall be informed that the Summary Notice should be tickered to Sears' stock symbol. Pursuant to the Stipulation, Sears will bear the cost of complying with this requirement.

6. Nominees who hold Sears stock shall send the Notice of Settlement to the beneficial owners of such Sears stock within ten days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Notice Administrator within ten days of receipt thereof in which event the Notice Administrator shall promptly mail the Notice to such beneficial owners.

7. At or prior to the Settlement Hearing, counsel for the Settling Parties shall file proof by affidavit that the Notice of Settlement and Summary Notice were disseminated as required in this Order. All papers in support of the Settlement shall be filed seven (7) days before the Settlement Hearing.

8. The mechanism for providing notice to Sears shareholders described in paragraph 5 is hereby preliminarily found to be reasonable and sufficient under the circumstances, and to comply with the provisions of Federal Rule of Civil Procedure 23.1 and the requirements of due process of the United States Constitution, and to constitute due and sufficient notice to all

Persons affected by the proposed Settlement or entitled to participate in the Settlement Hearing regarding the Derivative Claims.

9. The Court will consider at the Settlement Hearing objections to the proposed Settlement or the award of attorneys' fees and reimbursement of expenses, and requests to be heard or to present evidence or testimony in opposition to the proposed Settlement, but only if such objections, requests and any supporting papers, are filed with the Clerk of the Court, United States District Court, Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604, not later than fourteen (14) days before the settlement hearing, and, by the same date, copies of all such papers are also served upon:

**Plaintiffs' Counsel:**

Kenneth J. Vianale  
VIANALE & VIANALE LLP  
2499 Glades Road, Suite 112  
Boca Raton, Florida 33431

Plaintiff's Counsel shall e-mail a complete copy of any objections he receives to all other counsel of record no later than one business day after his receipt of an objection. Written objections must comply in form and content with all of the requirements described in the Notice of Settlement. Any Person who fails to object in the manner described in the Notice of Settlement shall be deemed to have waived such objections and shall be forever barred from raising such objections or otherwise contesting the Settlement in this or any other action or proceeding.

10. The Court reserves the right to approve the Stipulation with modifications agreed to by the Settling Parties and without further notice to any Sears Shareholders, and retains

jurisdiction over the Derivative Claims to consider all further applications arising out of or connected with the proposed Settlement.

11. Pending final determination whether the Settlement and Stipulation should be approved, all proceedings in this action, other than proceedings necessary to carry out the terms and conditions of the Settlement, are stayed, and the Plaintiffs and/or every Sears Shareholder, or any of them, are preliminarily barred and enjoined from (a) commencing, prosecuting, instigating, continuing, or in any way participating in the commencement or prosecution of any action asserting any Released Claims against any of the Released Parties, or (b) challenging the Settlement other than in this Action in accordance with the procedures established by the Court.

12. Neither the Stipulation, nor the Exhibits thereto, nor any document referred to therein, nor any action taken to carry out the Stipulation is, may be construed as, or may be used as an admission by or against Released Parties, or any of them, of any fault, wrongdoing or liability whatsoever.

13. In the event the Settlement is not approved by the Court, or is terminated for any reason, the Settlement and all of its terms shall be null and void, of no further force or effect, without prejudice to any Settling Party, and may not be introduced as evidence or referred to in any actions or proceedings by any Person.

Date: May 11, 2010  
Chicago, Illinois

SO ORDERED

  
Ronald A. Guzmán, U.S.D.J.