

KMART CORP
Form 424B3
August 02, 2011
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-173459

PROSPECTUS

\$1,000,000,000

Sears Holdings Corporation

OFFER TO EXCHANGE

6⁵/₈% SENIOR SECURED NOTES DUE 2018

REGISTERED UNDER THE SECURITIES ACT

FOR

A LIKE PRINCIPAL AMOUNT OF

6⁵/₈% SENIOR SECURED NOTES DUE 2018

Sears Holdings Corporation is offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange an aggregate principal amount of up to \$1,000,000,000 of our 6⁵/₈% senior secured notes due 2018 (which we refer to as the exchange notes) for an equal principal amount of our outstanding 6⁵/₈% senior secured notes due 2018. When we refer to old notes, we are referring to the outstanding 6⁵/₈% senior secured notes due 2018. The exchange notes will represent the same debt as the old notes, and we will issue the exchange notes under the same indenture as the old notes.

The exchange offer expires at 5:00 p.m., New York City time, on August 30, 2011, unless extended.

Terms of the Exchange Offer

We are offering to exchange up to \$1,000,000,000 aggregate principal amount of the exchange notes for an equal principal amount of the old notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tendered old notes at any time prior to the expiration of the exchange offer.

The terms of the exchange notes are identical in all material respects (including principal amount, interest rate, maturity and redemption rights) to the old notes for which they may be exchanged, except that the exchange notes generally will not be subject to transfer restrictions or be entitled to registration rights, and the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations.

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Certain of our subsidiaries will guarantee our obligations under the exchange notes, including the payment of principal of, premium, if any, and interest on the notes. These guarantees of the exchange notes will be senior secured obligations of the subsidiary guarantors. Additional subsidiaries will be required to guarantee the exchange notes, and the guarantees of the subsidiary guarantors will terminate, in each case in the circumstances described under [Description of the Exchange Notes](#) [Subsidiary Guarantees](#).

The exchange of old notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See the discussion under the caption [Certain U.S. Federal Income Tax Considerations](#).

There is no existing market for the exchange notes to be issued, and we do not intend to apply for listing or quotation on any securities exchange or market.

See [Risk Factors](#) beginning on page 13 for a discussion of the factors you should consider in connection with the exchange offer.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. The accompanying letter of transmittal relating to the exchange offer states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended, and the rules and regulations thereunder (the

Securities Act). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available to any broker-dealer for use in connection with any such resale until the earlier of 45 days from the date on which the registration statement containing this prospectus is declared effective and the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities. See [Plan of Distribution](#).

The date of this prospectus is August 2, 2011.

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Unless otherwise indicated or required by the context, in this prospectus, the terms *we*, *our*, *us* and the *Company* refer to Sears Holdings Corporation and all of its subsidiaries that are consolidated under Generally Accepted Accounting Principles (*GAAP*), and the term *Holdings* refers to Sears Holdings Corporation and not to any of its subsidiaries. In this prospectus, the term *notes* refers to the old notes and the exchange notes collectively.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date printed on the front of this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The Securities and Exchange Commission (the *SEC*) allows us to incorporate by reference in this prospectus the information in other documents that we file with it, which means that we can disclose important business and financial information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus or a prospectus supplement. We incorporate by reference in this prospectus the documents listed below and any future filings that we may make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), prior to the later of (a) the completion or termination of the exchange offer and (b) if the exchange offer is completed, the termination of the period of time described under *Plan of Distribution* during which we have agreed to make available this prospectus to broker-dealers in connection with certain resales of the exchange notes:

Annual Report on Form 10-K for the year ended January 29, 2011;

Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2011; and

Current Reports on Form 8-K filed on February 25, 2011, April 8, 2011, May 3, 2011 (such May 3, 2011 Current Report on Form 8-K that contains Items 5.02 and 5.07 disclosures), May 20, 2011 and June 23, 2011.

Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules. You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Sears Holdings Corporation

3333 Beverly Road

Hoffman Estates, IL 60179

Attn: Senior Vice President, General Counsel and Corporate Secretary

(847) 286-2500

To obtain timely delivery of any of our filings, agreements or other documents, you must make your request to us no later than August 23, 2011. In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date of the exchange offer, as extended. We may extend the exchange offer in our sole discretion. See *Exchange Offer* for more detailed information.

WHERE YOU CAN FIND MORE INFORMATION

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We have filed with the SEC a registration statement on Form S-4 under the Securities Act that registers the exchange notes that will be offered in exchange for the old notes. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the exchange notes. The rules and regulations of the SEC allow us to omit from this document certain information included in the registration statement.

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We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public from the SEC's web site at www.sec.gov. You may also read and copy any document we file at the SEC's public reference room in Washington, D.C. located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Information about us, including our SEC filings, is also available on our corporate website at www.searsholdings.com.

WEBSITES

The information contained on or that can be accessed through any of our websites is not incorporated in, and is not part of, this prospectus, and you should not rely on any such information in connection with your decision to participate in the exchange offer.

FORWARD-LOOKING STATEMENTS

From time to time, including in this prospectus, in the documents incorporated by reference and in other written reports and oral statements, we make forward-looking statements within the meaning of federal and state securities laws. Disclosures that use words such as the Company believes, expects, anticipates, intends, estimates, plans, forecasts, is likely to and similar expressions or future or conditional verbs may and could are generally forward-looking in nature and not historical facts and are intended to identify forward-looking statements. These forward-looking statements reflect our current beliefs and expectations and are based upon data available to us at the time the statements are made. Such statements are subject to certain risks and uncertainties that could cause actual results, performance or achievements to differ materially from expectations. These risks, as well as other risks and uncertainties, are detailed in reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC as well as the section titled Risk Factors in this prospectus. Forward-looking statements made in this prospectus speak as of the date hereof. We are not under any obligation and do not intend to publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements:

our ability to offer merchandise and services that our customers want, including our proprietary brand products;

our ability to successfully implement initiatives to improve inventory management and other capabilities;

competitive conditions in the retail and related services industries;

worldwide economic conditions and business uncertainty, the availability of consumer and commercial credit, changes in consumer confidence, tastes, preferences and spending, and changes in vendor relationships;

the impact of seasonal buying patterns, including seasonal fluctuations due to weather conditions, which are difficult to forecast with certainty;

our dependence on sources outside the United States for significant amounts of our merchandise;

our extensive reliance on computer systems to process transactions, summarize results and manage our business;

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our reliance on third parties to provide us with services in connection with the administration of certain aspects of our business;

impairment charges for goodwill and intangible assets or fixed-asset impairment for long-lived assets;

our ability to properly implement and realize the expected benefits from our organizational structure and operating model;

our ability to attract, motivate and retain key executives and other associates;

the outcome of pending and/or future legal proceedings, including product liability claims and bankruptcy claims, including proceedings with respect to which the parties have reached a preliminary settlement; and

the timing and amount of required pension plan funding.

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SUMMARY

This summary contains basic information about our company and the exchange offer. It may not contain all of the information that may be important to you. Investors should carefully read this entire prospectus, including the information set forth under Risk Factors and in our consolidated financial statements and the related notes thereto.

The Company

Sears Holdings Corporation is the parent company of Kmart Holding Corporation, which we refer to as Kmart, and Sears, Roebuck and Co., which we refer to as Sears. Holdings was formed as a Delaware corporation in 2004 in connection with the merger of Kmart and Sears. The merger, completed on March 24, 2005, combined two of America's oldest existing retail entities, both with origins dating to the late 1800s. We are a broadline retailer with 2,190 full-line and 1,358 specialty retail stores in the United States operating through Kmart and Sears and 487 full-line and specialty retail stores in Canada operating through Sears Canada Inc., a 92%-owned subsidiary, which we refer to as Sears Canada. For fiscal year 2010, our revenue and net income were \$43,326 million and \$133 million, respectively. For the 13 weeks ended April 30, 2011, our revenue and net loss were \$9,705 million and \$170 million, respectively. Our common stock is traded on the NASDAQ Stock Market under the symbol SHLD and as of April 30, 2011, we had an equity market capitalization of approximately \$9.3 billion. Inventory and credit card receivables held by the guarantors of the notes were \$8,922 million at April 30, 2011.

Our executive offices are located at 3333 Beverly Road, Hoffman Estates, IL 60179, and our telephone number at that location is (847) 286-2500. Our website address is www.searsholdings.com.

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Summary Terms of the Exchange Offer

The following is a brief summary of the terms of the exchange offer. For a more complete description of the exchange offer, see Exchange Offer. In this section Holdings, the Company, we, our, or us refer only to Sears Holdings Corporation, a Delaware corporation, and not to any of its subsidiaries.

The Exchange Offer

We are offering to exchange up to \$1,000,000,000 in aggregate principal amount of our 6^{5/8}% senior secured notes due 2018, which we refer to in this prospectus as the exchange notes, for an equal principal amount of the old notes.

Old notes may be exchanged only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000. Exchange notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000.

The exchange notes have been registered under the Securities Act. The terms of the exchange notes are identical in all material respects to the terms of the old notes, except that the exchange notes are registered under the Securities Act and are generally not subject to transfer restrictions, bear a different CUSIP number, are not entitled to registration rights and do not have the right to earn additional interest under circumstances relating to our registration obligations.

Subject to the terms of the exchange offer, we will exchange the exchange notes for all of the old notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

Expiration of the Exchange Offer; Withdrawal of Tender

The exchange offer will expire at 5:00 p.m., New York City time, on August 30, 2011, or a later date and time to which we may extend it. We do not currently intend to extend the expiration of the exchange offer. You may withdraw your tender of old notes in the exchange offer at any time before the expiration of the exchange offer. Any old notes not accepted for exchange for any reason will be returned without expense to you promptly after the expiration or termination of the exchange offer.

Conditions to the Exchange Offer

The exchange offer is not conditioned upon any minimum aggregate principal amount of old notes being tendered for exchange. The exchange offer is subject to customary conditions, which we may waive. See Exchange Offer Conditions for more information regarding the conditions to the exchange offer.

Procedures for Tendering Notes

To tender old notes held in book-entry form through The Depository Trust Company, or DTC, you must transfer your old notes into the exchange agent's account in accordance with DTC's Automated Tender Offer Program, or ATOP system. In lieu of delivering a letter of transmittal to the exchange agent, a computer-generated message, in which the holder of the old notes acknowledges and

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agrees to be bound by the terms of the letter of transmittal, must be transmitted by DTC on behalf of a holder and received by the exchange agent before 5:00 p.m., New York City time, on the expiration date. In all other cases, a letter of transmittal must be manually executed and received by the exchange agent before 5:00 p.m., New York City time, on the expiration date.

By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

you are acquiring the exchange notes in the ordinary course of your business;

you are not engaged in, do not intend to engage in, and have no arrangement or understanding with any person or entity to participate in, a distribution of the exchange notes (within the meaning of the Securities Act);

you are not our affiliate (as defined in Rule 405 under the Securities Act); and

if you are a broker-dealer registered under the Exchange Act, you are participating in the exchange offer for your own account and are exchanging old notes acquired as a result of market-making activities or other trading activities, you have not entered into any arrangement or understanding with the Company or any affiliate of the Company to distribute the exchange notes, and you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes.

Special Procedures for Beneficial Owners

If you are a beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you want to tender old notes in the exchange offer, you should contact the registered owner promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal and delivering your old notes, either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the registered holder. See Exchange Offer Procedures for Tendering.

Guaranteed Delivery Procedures

If you wish to tender your old notes, and time will not permit your required documents to reach the exchange agent by the expiration date, or the procedure for book-entry transfer cannot be completed on time, you may tender your old notes under the procedures described under Exchange Offer Guaranteed Delivery Procedures.

Consequences of Failure to Exchange

Any old notes that are not tendered in the exchange offer, or that are not accepted in the exchange, will remain subject to restrictions on transfer. Since the old notes have not been registered under the U.S. federal securities laws, you will not be able to offer or sell the old

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notes except under an exemption from the requirements of the Securities Act or unless the old notes are registered under the Securities Act. Upon the completion of the exchange offer, we will have no further obligations, except under limited circumstances, to provide for registration of the old notes under the U.S. federal securities laws. See Exchange Offer Consequences of Failure to Tender.

Certain U.S. Federal Income Tax Considerations The exchange of old notes for exchange notes in the exchange offer will not constitute a taxable exchange for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations.

Transferability Under existing interpretations of the Securities Act by the staff of the SEC contained in several no-action letters to third parties, and subject to the immediately following sentence, we believe that the exchange notes will generally be freely transferable by holders after the exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act (subject to certain representations required to be made by each holder of old notes, as set forth under Exchange Offer Procedures for Tendering). However, any holder of old notes who:

is one of our affiliates (as defined in Rule 405 under the Securities Act),

does not acquire the exchange notes in the ordinary course of business,

distributes, intends to distribute, or has an arrangement or understanding with any person or entity to distribute the exchange notes as part of the exchange offer, or

is a broker-dealer who purchased old notes from us in the initial offering of the old notes for resale pursuant to Rule 144A or any other available exemption under the Securities Act,

will not be able to rely on the interpretations of the staff of the SEC, will not be permitted to tender old notes in the exchange offer and, in the absence of any exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

Our belief is based on SEC interpretations given to other, unrelated issuers in similar exchange offers. We cannot assure you that the SEC would make a similar interpretation with respect to our exchange offer. We will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

Each broker-dealer that receives exchange notes for its own account under the exchange offer in exchange for old notes that were acquired by the broker-dealer as a result of market-making or other trading

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activity must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. See Plan of Distribution.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer.

Exchange Agent

Wells Fargo Bank, National Association, is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth under Exchange Offer Exchange Agent.

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Summary Terms of the Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes. In this section Holdings, the Issuer, the Company, we, our, or us refer only to Sears Holdings Corporation, a Delaware corporation, and not to any of its subsidiaries.

The exchange notes will be identical in all material respects to the old notes for which they have been exchanged, except:

the offer and sale of the exchange notes will have been registered under the Securities Act, will not bear any legend restricting their transfer and generally will not be subject to restrictions on transfer,

the exchange notes will bear a different CUSIP number from the old notes,

the exchange notes will not be entitled to registration rights, and

the holders of the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations.

Issuer Sears Holdings Corporation

Guarantors The exchange notes will initially be fully and unconditionally guaranteed on a senior secured basis by all of our wholly owned domestic subsidiaries that are borrowers or guarantors under our existing senior secured revolving credit facility, except as noted in the following sentence, and in the future will be guaranteed by all of our future wholly owned domestic subsidiaries that own significant amounts of inventory or credit card receivables and have incurred material indebtedness for borrowed money (the Subsidiary Guarantors). We currently expect A&E Factory Service, LLC will become our wholly owned subsidiary and a guarantor under our existing senior secured revolving credit facility prior to the closing of the exchange offer, but will not become a guarantor of the old notes or the exchange notes. Orchard Supply Hardware Stores Corporation and Sears Canada and their subsidiaries will not be guarantors of the exchange notes. The guarantees of the Subsidiary Guarantors with respect to the exchange notes will terminate, in each case in the circumstances set forth under Description of the Exchange Notes Subsidiary Guarantees.

Exchange Notes Offered \$1,000,000,000 aggregate principal amount of 6⁵/₈% senior secured notes due 2018.

Maturity The exchange notes will mature on October 15, 2018.

Interest Rates The exchange notes will accrue interest at 6⁵/₈% per annum, payable semiannually in cash in arrears on April 15 and October 15 of each year, commencing on October 15, 2011.

Ranking The exchange notes will be our senior secured obligations and will:

rank equally in right of payment with all our other senior indebtedness from time to time outstanding;

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rank senior in right of payment to our future indebtedness, if any, from time to time outstanding that is expressly subordinated to the exchange notes;

rank effectively junior to all of our secured indebtedness, from time to time outstanding, that is secured by a lien on assets other than the collateral for the exchange notes or by a lien on such collateral ranking prior to the lien on the collateral securing the exchange notes, including our guarantee of the indebtedness under our existing senior secured revolving credit facility, in each case, to the extent of the value of the collateral securing such indebtedness;

rank effectively senior to all of our unsecured indebtedness to the extent of the value of the exchange notes' security interest in the collateral owned by us; and

rank effectively junior to all indebtedness and liabilities of our subsidiaries that will not guarantee the exchange notes to the extent of the value of such subsidiaries.

The guarantees will be the Subsidiary Guarantors' senior secured obligations and will:

rank equally in right of payment with all other senior indebtedness of such Subsidiary Guarantor from time to time outstanding;

rank senior in right of payment to any future indebtedness, if any, of such Subsidiary Guarantor from time to time outstanding that is expressly subordinated to such Subsidiary Guarantor's guarantee;

rank effectively junior to all of such Subsidiary Guarantor's secured indebtedness, from time to time outstanding, that is secured by a lien on assets other than the collateral for the exchange notes or by a lien on such collateral ranking prior to the lien on the collateral securing the exchange notes, including such Subsidiary Guarantor's obligations under our existing senior secured revolving credit facility, in each case, to the extent of the value of the collateral of such Subsidiary Guarantor securing such indebtedness; and

rank effectively senior to all unsecured indebtedness of such Subsidiary Guarantor to the extent of the value of the collateral of such Subsidiary Guarantor securing the exchange notes after satisfaction of any senior liens on such collateral.

Security

The exchange notes and the guarantees will, subject to permitted liens, be secured by a lien on certain assets owned by the Company and the Subsidiary Guarantors, which lien shall, subject to an intercreditor agreement, be junior in priority to the lien that secures the obligations under our existing senior secured revolving credit

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facility and obligations under certain banking and cash management arrangements, as well as certain other first priority lien obligations. The lenders under our existing senior secured revolving credit facility, and their affiliates that provide banking and cash management arrangements to the Company and the Subsidiary Guarantors, benefit from first priority liens on the collateral. Under the security and pledge agreements, the Company and the Subsidiary Guarantors will grant security interests in the following assets: (1) credit card accounts receivable, chattel paper and instruments, in each case relating to credit card accounts receivable, inventory and books and records pertaining to the foregoing and (2) all proceeds and products of the foregoing. For more details, see Description of the Exchange Notes Security.

The value of the collateral securing the exchange notes at any time will depend on market and other economic conditions. The liens on the collateral may be released without the consent of the holders of exchange notes if collateral is disposed of in a transaction that complies with the indenture governing the notes and related security documents or in accordance with the provisions of an intercreditor agreement with the collateral agent under our existing senior secured revolving credit facility. Pursuant to the intercreditor agreement, the liens securing the exchange notes may not be enforced at any time when first priority lien obligations are outstanding, except for certain limited exceptions. The holders of the first priority lien obligations will receive all proceeds from any realization of the collateral or from the proceeds thereof in any insolvency or liquidation proceeding, in each case, until the first priority lien obligations are paid in full. See Risk Factors Risks Related to the Exchange Notes It may be difficult to realize the value of the collateral securing the exchange notes and Description of the Exchange Notes Security and Intercreditor Agreement.

Optional Redemption by Holdings

We may redeem the notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium, as described under the heading Description of the Exchange Notes Optional Redemption.

Change of Control

If we experience a change of control triggering event, we must offer to purchase the notes at 101% of their principal amount, plus accrued and unpaid interest. For more details, see Description of the Exchange Notes Change of Control.

Collateral Coverage Offer

If a collateral coverage event occurs, we must offer to purchase an amount of notes sufficient to cure the collateral coverage shortfall at 101% of their principal amount, plus accrued and unpaid interest. For more details, see Description of the Exchange Notes Collateral Coverage Offer.

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Certain Covenants

The indenture governing the notes contains covenants that limit, among other things, our ability and our restricted subsidiaries' ability to:

create liens,

enter into sale and leaseback transactions, and

merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets.

However, these covenants are subject to certain important qualifications and limitations described under the heading "Description of the Exchange Notes - Certain Covenants."

Form and Denominations

We will issue the exchange notes in fully registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Each of the exchange notes will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold a beneficial interest in one or more of the exchange notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest in their books. Except under limited circumstances, we will not issue certificated exchange notes.

Absence of an Established Market for the Exchange Notes

The exchange notes generally are freely transferable but are also new securities for which there is not initially a market. We do not intend to list the exchange notes on any exchange or to maintain a trading market for them. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes.

Risk Factors

See "Risk Factors" for an explanation of certain risks you should consider before deciding to exchange your old notes for exchange notes.

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The following table sets forth certain of our historical financial data. The consolidated balance sheet data as of January 29, 2011 and January 30, 2010 and the consolidated statements of income and cash flow data for each of the three fiscal years in the period ended January 29, 2011 have been derived from our consolidated financial statements, which have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, and are included in our Annual Report on Form 10-K for the fiscal year ended January 29, 2011, which is incorporated by reference in this prospectus (2010 Form 10-K). The consolidated balance sheet data as of January 31, 2009, February 2, 2008 and February 3, 2007 and the consolidated statements of income and cash flow data for each of the two fiscal years in the period ended February 2, 2008 have been derived from our consolidated financial statements included in our Annual Reports on Form 10-K for the fiscal years ended February 2, 2008 and January 31, 2009. The unaudited consolidated balance sheet data as of April 30, 2011 and May 1, 2010 and the unaudited consolidated statements of operation and cash flow data for the 13 week periods ended April 30, 2011 and May 1, 2010, have been derived from our unaudited consolidated financial statements in our Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2011.

You should read the following information together with our consolidated financial statements and the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2010 Form 10-K and our Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2011. The following information should also be read in conjunction with the information under the caption Risk Factors contained herein and incorporated by reference herein from our 2010 Form 10-K.

<i>dollars in millions, except per share and store data</i>	Fiscal Year Ended				13 Weeks Ended		
	Feb. 3, 2007 ⁽¹⁾	Feb. 2, 2008	Jan. 31, 2009	Jan. 30, 2010	Jan. 29, 2011	Apr. 30, 2011	May 1, 2010
Summary of Operations							
Total revenues ⁽²⁾	\$ 53,016	\$ 50,703	\$ 46,770	\$ 44,043	\$ 43,326	\$ 9,705	\$ 10,046
Domestic comparable sales %	(3.7)%	(4.3)%	(8.0)%	(5.1)%	(1.6)%	(3.6)%	1.5%
Net income (loss) attributable to Holdings shareholders ⁽³⁾	1,492	826	53	235	133	(170)	16
Per Common Share							
Basic:							
Net income (loss) attributable to Holdings shareholders	\$ 9.59	\$ 5.71	\$ 0.42	\$ 1.99	\$ 1.19	\$ (1.58)	\$ 0.14
Diluted:							
Net income (loss) attributable to Holdings shareholders	\$ 9.58	\$ 5.70	\$ 0.42	\$ 1.99	\$ 1.19	\$ (1.58)	\$ 0.14
Holdings book value per common share	\$ 82.60	\$ 80.59	\$ 76.91	\$ 79.21	\$ 78.19	\$ 77.01	\$ 76.65
Financial Data							
Total assets	\$ 29,906	\$ 27,397	\$ 25,342	\$ 24,808	\$ 24,268	\$ 24,639	\$ 25,417
Long-term debt	2,109	1,922					