

Facing possible liquidation, Sears to close 80 more stores in March

Kevin Martinez
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Sears Holdings has announced plans to close 80 more Sears and Kmart stores across the US in March, in addition to the nearly 200 stores already set for closure. In October, the retailer filed for bankruptcy and was operating nearly 700 stores, saying it would close only 142 unprofitable stores. The next month, it was announced that 40 additional stores would be closed.

Workers at the stores in the latest round of closures were told that liquidation sales would begin in two weeks and that adjacent Sears Auto Centers would also be shut down.

Sears Chairman and former CEO Eddie Lampert has offered to buy Kmart and Sears out of bankruptcy through his hedge fund ESL Investments. Transform Holdco LLC, an affiliate of ESL, submitted a last-minute bid on Friday to purchase all the assets of Sears Holding, with 425 stores valued at \$4.4 billion. This includes a \$1.3 billion financing commitment from three financial groups.

The company and its advisers now have until January 4 to determine whether the bid is “qualified.” Transform said that if the bid is successful the company that emerges will employ up to 50,000 people, of the existing 68,000 employees.

Lampert had made a \$4.6 billion proposal to buy the company on December 6. The deal included 500 stores, the Kenmore appliance and DieHard Tool brands, 50,000 employees, key real estate and the company’s inventory and receivables.

Sears faces liquidation if the latest offer is not approved by a bankruptcy judge. Recently, US Bankruptcy Court Judge Robert Drain allowed the company to sell its home-improvement service business to Service.com for \$60 million. The company, once an icon of American capitalism, has been suffering for years as it faces competition from online retailers like

Amazon.com.

For much of the 20th century Sears was not only the nation’s largest retailer, but also its largest private-sector employer. With hundreds of stores across the country as well as a catalog which sold countless items, it was the mainstay of many communities and towns.

In 2005, Lampert used Kmart, which he bought out of bankruptcy two years before, to purchase Sears for \$11 billion and then merged the two. He later resigned as CEO but remained on as chairman.

The fate of Sears follows a long line of mergers and acquisitions in recent years which have decimated the retail industry. The buyouts are a desperate attempt to avoid bankruptcy and outright liquidation by corporate sharks. In May it was announced that the retail industry was responsible for one third of all job cuts last year alone.

The stagnation of workers’ wages and declining working conditions means fewer purchases of goods and services from retailers like Sears, who face monopoly competition from Amazon and other retailers. The loss of Sears stores will hit the poorest communities the hardest, as the last avenues of employment dry up.

Since 2011, Sears lost over \$11 billion, including \$5.8 billion in the last five years. More than 1,000 stores have closed in the last decade, 700 stores just in the last two years.

Lampert’s bid to buy Sears follows the trend of the growing financialization of US capitalism. ESL Investments, Lampert’s hedge fund, already holds around 40 percent of Sears Holding’s debt—\$1.1 billion in loans.

Should Sears survive outright liquidation, its “rescue” will come at the expense of the remaining workers who will be forced to work harder and longer for less pay to

ensure company profits.



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