

Seritage Growth Properties  
Form S-11/A  
May 26, 2015  
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As filed with the Securities and Exchange Commission on May 26, 2015

Registration No. 333-203163

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Amendment No. 3**

**to**

**FORM S-11**

***FOR REGISTRATION***

***Under***

***THE SECURITIES ACT OF 1933***

***OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES***

**Seritage Growth Properties**

**(Exact Name of Registrant as Specified in Its Governing Instruments)**

**Seritage Growth Properties**

**3333 Beverly Road**

**Hoffman Estates, Illinois 60179**

**(847) 286-2500**

**(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)**

**Robert A. Riecker**

**c/o Sears Holdings Corporation**

**3333 Beverly Road**

**Hoffman Estates, Illinois 60179**

**(847) 286-2500**

**(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)**

*Copies to:*

**Kristin M. Coleman, Esq.**

**Senior Vice President, General Counsel and Corporate Secretary**

**Sears Holdings Corporation**

**3333 Beverly Road**

**Hoffman Estates, Illinois 60179**

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**51 West 52nd Street**

**New York, New York 10019**

**(212) 403-1000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement of the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

| <b>Title of Each Class of Securities to Be Registered</b>  | <b>Proposed Maximum Aggregate Offering Price</b> | <b>Amount of Registration Fee</b> |
|--|--|-----------------------------------|
| Subscription rights to purchase Class A common shares of beneficial interest, par value \$0.01 per share     | N/A  | N/A <sup>(1)</sup>                |
| Class A common shares of beneficial interest, par value \$0.01 per share, underlying the subscription rights | \$90,000,000 <sup>(2)</sup>                      | \$10,458                          |
| Class C common shares of beneficial interest, par value \$0.01 per share, underlying the subscription rights | \$10,000,000 <sup>(2)</sup>                      | \$1,162                           |
|  | N/A  | N/A <sup>(3)</sup>                |

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Class A common shares of beneficial interest, par value \$0.01 per share, issuable upon conversion of Class C common shares of beneficial interest, par value \$0.01 per share

|       |                              |                         |
|-------|------------------------------|-------------------------|
| Total | \$100,000,000 <sup>(2)</sup> | \$11,620 <sup>(4)</sup> |
|-------|------------------------------|-------------------------|

- (1) The subscription rights are being issued without consideration. Pursuant to Rule 457(g), no separate registration fee is payable.
- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended. Includes the estimated maximum aggregate gross proceeds from the exercise of the maximum number of subscription rights that may be issued.
- (3) The Class A common shares will be issued upon conversion of the Class C common shares for no additional consideration. Pursuant to Rule 457(i), no separate registration fee is payable.
- (4) The registrant previously paid the \$11,620 registration fee.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

### EXPLANATORY NOTE

This registration statement has been prepared on a prospective basis on the assumption that, among other things, the offering (as described in the prospectus which is a part of this registration statement) and the related transactions (including the negotiation, execution and performance of the agreements referred to in the prospectus) and approvals contemplated to occur prior to or contemporaneously with the offering will be consummated as contemplated by the prospectus. There can be no assurance, however, that any or all of such transactions will occur or will occur as so contemplated. Any significant modifications to or variations in the transactions contemplated will be reflected in an amendment or supplement to this registration statement.

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**The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED MAY 26, 2015**

**PRELIMINARY PROSPECTUS**

**Seritage Growth Properties**

**Up to      Class A Common Shares Issuable Upon the Exercise of Subscription Rights at \$      Per Share**

**Subscription Rights to Purchase Class A Common Shares**

**Class C Non-voting Common Shares at \$      Per Share**

**Class A Common Shares Issuable Upon the Conversion of Class C Non-voting Common Shares**

This prospectus is being furnished to you as a holder of common stock of Sears Holdings Corporation (together with its subsidiaries, Sears Holdings or SHC) in connection with the planned distribution by Sears Holdings to each holder of its common stock as of the close of business on \_\_\_\_\_, 2015 (the record date), at no charge, transferable subscription rights (the subscription rights) to purchase up to an aggregate of \_\_\_\_\_ Class A common shares of beneficial interest, par value \$0.01 per share (the Seritage Growth common shares), of Seritage Growth Properties, a Maryland real estate investment trust (Seritage Growth), at a price of \$ \_\_\_\_\_ per whole share (the rights offering), as well as the offering of \_\_\_\_\_ Class C non-voting common shares of beneficial interest, par value \$0.01 per share (the Seritage Growth non-voting shares), of Seritage Growth to clients (Fairholme Clients) of Fairholme Capital Management L.L.C. (FCM), also at a price of \$ \_\_\_\_\_ per share. The Seritage Growth non-voting shares are convertible into Seritage Growth common shares as more fully described in this prospectus. Sears Holdings will distribute to each holder of its common stock as of the record date one subscription right for each full share of common stock owned by that stockholder as of the record date. Each subscription right will entitle its holder to purchase \_\_\_\_\_ Seritage Growth common shares of Seritage Growth. Additionally, holders of subscription rights who fully exercise all of their basic subscription rights, after giving effect to any purchases or sales of subscription rights by them prior to such exercise, may also make a request to purchase additional Seritage Growth common shares through the exercise of an over-subscription privilege, although over-subscriptions may not be filled.

In this prospectus, we refer to the acquisition of properties from Sears Holdings by Seritage Growth, the rights offering and the related transactions described in this prospectus as the Transaction. In connection with the Transaction, we have entered into or will enter into various agreements with Sears Holdings which, among other things, govern the principal transactions relating to this offering, the sale to a subsidiary of Seritage Growth of 235 properties owned (or, in one case, ground-leased) by Sears Holdings, the leaseback of most of these properties to Sears Holdings, and the sale to a subsidiary of Seritage Growth by Sears Holdings of its 50% interests in three joint

ventures (the GGP JV, the Simon JV and the Macerich JV ) that own an additional 12, 10 and 9 properties, respectively.

The subscription rights will expire if they are not exercised by 5:00 p.m., New York City time, on \_\_\_\_\_, 2015, the \_\_\_\_\_ business day following the distribution of the rights. We are requiring an overall minimum subscription to complete the rights offering. In addition, Sears Holdings has the right to withdraw and cancel the rights offering if, at any time prior to its expiration, the board of directors of Sears Holdings determines, in its sole discretion, that the rights offering is not in the best interest of Sears Holdings or its stockholders, or that market conditions are such that it is not advisable to consummate the rights offering.

We intend to elect and qualify to be taxed as a real estate investment trust ( REIT ) for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2015. To assist us in qualifying to be taxed as a REIT, among other purposes, Seritage Growth's declaration of trust contains certain restrictions relating to the ownership and transfer of Seritage Growth common shares, including a provision generally restricting shareholders from owning more than 9.6% by value or number of shares, whichever is more restrictive, of all outstanding shares of beneficial interest of Seritage Growth without the prior consent of the Seritage Growth Board of Trustees. In addition, Seritage Growth's declaration of trust also provides for restrictions on such ownership or transfer that are designed to prevent rents received or accrued from Sears Holdings from being treated as non-qualifying rent for purposes of the REIT gross-income requirements. The Seritage Growth Board of Trustees is expected to grant a waiver of certain of these provisions to FCM and certain Fairholme Clients. See Description of Shares of Beneficial Interest Restrictions on Ownership and Transfer for a detailed description of the ownership and transfer restrictions applicable to Seritage Growth common shares.

As of the date of this prospectus, ESL Investments, Inc. and its affiliates, including Edward S. Lampert (collectively, ESL ), beneficially own approximately \_\_\_\_\_% of the outstanding common stock of Sears Holdings, and Fairholme Clients beneficially own approximately \_\_\_\_\_% of the outstanding common stock of Sears Holdings. ESL has advised Seritage Growth that it intends to exchange a majority of its subscription rights for interests in a subsidiary of Seritage Growth and for Class B non-economic common shares of beneficial interest of Seritage Growth holding voting power in Seritage Growth, and FCM has advised Seritage Growth that it anticipates that certain Fairholme Clients, subject to the final terms of the offering and other considerations including market conditions and tax, regulatory and investment mandate restrictions, are likely to exchange a portion of their subscription rights for the Seritage Growth non-voting shares and that, subject to such considerations, certain other Fairholme Clients intend to exercise their subscription rights to purchase Seritage Growth common shares, in each case as more fully described in this prospectus.

An affiliate of General Growth Properties, Inc. and an affiliate of Simon Property Group, Inc, which (through subsidiaries) own the remaining 50% interests in the GGP JV and the Simon JV, respectively, have each agreed to acquire \_\_\_\_\_ Seritage Growth common shares at a purchase price per share equal to the subscription price for the rights offering set forth above in private placements that will close concurrently with the closing of this offering.

We are an emerging growth company, as that term is used in the Jumpstart Our Business Startups Act of 2012, and, as such, we will be subject to reduced public company reporting requirements compared to other public companies. See Prospectus Summary Our Status as an Emerging Growth Company.

**You should carefully consider whether to exercise your subscription rights before the rights offering expires. All exercises of subscription rights are irrevocable.**

**Exercising the rights and investing in Seritage Growth common shares involves risks. We urge you to carefully read the section entitled Risk Factors beginning on page 30 of this prospectus, and all other information in this prospectus in its entirety before you decide whether to exercise your rights. Neither Sears Holdings nor Seritage Growth, nor their respective boards, is making any recommendation regarding your exercise of the subscription rights.**

The subscription rights are transferable during the course of the subscription period, until \_\_\_\_\_, 2015, the \_\_\_\_\_ business day prior to the expiration of the rights offering, and we intend to apply to list the rights for trading on the New York Stock Exchange (the NYSE) under the symbol \_\_\_\_\_; however, we cannot assure you that a market for the subscription rights will develop. We intend to apply to list the Seritage Growth common shares for trading on the NYSE under the symbol \_\_\_\_\_. No public market currently exists for the Seritage Growth common shares or for the subscription rights.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**Prospectus dated \_\_\_\_\_, 2015**

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You should rely only on information contained in this prospectus or in any prospectus supplement or free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide you with additional or different information. Neither this prospectus nor any prospectus supplement or free writing prospectus constitutes an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. The information contained in this prospectus or any prospectus supplement or free writing prospectus is accurate only as of the date of this prospectus or such prospectus supplement or free writing prospectus, as applicable.





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**MARKET AND INDUSTRY DATA**

Although we are responsible for all of the disclosure contained in this prospectus, this prospectus contains industry, market and competitive position data that are based on industry publications and studies conducted by third parties. The industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe the industry, market and competitive position information included in this prospectus is generally reliable, such information is inherently imprecise.

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**PROSPECTUS SUMMARY**

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before making an investment decision to purchase Seritage Growth common shares in this offering. You should read the entire prospectus carefully, including the section entitled Risk Factors, our consolidated financial statements and the related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus, before making an investment decision to purchase Seritage Growth common shares.*

**Seritage Growth Properties**

**Our Company**

Seritage Growth Properties ( Seritage Growth ) is a newly organized entity that was formed in Maryland on December 18, 2014. Seritage Growth conducts its operations through Seritage Growth Properties, L.P. (together with its subsidiaries, Operating Partnership ), a Delaware limited partnership, formed on April 22, 2015. In this prospectus, we refer to our business, including Seritage Growth and Operating Partnership, as we, our or us. Our principal offices are currently located at 3333 Beverly Road, Hoffman Estates, Illinois 60179, and our main telephone number is currently (847) 286-2500. We expect to change our principal offices and main telephone number prior to the completion of the Transaction. Seritage Growth intends to elect to be treated as a real estate investment trust ( REIT ) for federal income tax purposes commencing with our taxable year ending December 31, 2015.

Following the Transaction, Seritage Growth will be a publicly traded, self-administered, self-managed REIT primarily engaged in the real property business through its investment in Operating Partnership. Initially, our portfolio will consist of 235 properties (the Acquired Properties ) that are owned (or, in one case, ground-leased) by Sears Holdings Corporation (together with its subsidiaries, Sears Holdings or SHC ), as of the date of this prospectus. In addition, we will own three 50% joint venture interests in an additional twelve, ten and nine properties (collectively, the JV Properties ), respectively, which joint venture interests are owned by Sears Holdings as of the date of this prospectus and will be sold to us in the Transaction. We will lease (or sublease) a substantial majority of the space at all but eleven of the Acquired Properties (such eleven properties, the Third Party Properties ) back to Sears Holdings under a master lease agreement (the Master Lease ), with the remainder of such space leased to third-party tenants. The Third Party Properties, which do not currently contain a Sears Holdings store, will not have any space leased to Sears Holdings, and will instead be leased solely to third-party tenants. A substantial majority of the space at the JV Properties is also leased to Sears Holdings by GS Portfolio Holdings LLC (the GGP JV ), a joint venture between Sears Holdings and a subsidiary of General Growth Properties, Inc. (together with its subsidiaries, GGP ), SPS Portfolio Holdings LLC (the Simon JV ), a joint venture between Sears Holdings and a subsidiary of Simon Property Group, Inc. (together with its subsidiaries, Simon ), or MS Portfolio LLC (the Macerich JV and, together with the GGP JV and the Simon JV, each a JV ), a joint venture between Sears Holdings and a subsidiary of The Macerich Company (together with its subsidiaries, Macerich ), as applicable, in each case under a separate master lease with each JV (the JV Master Leases ). We will acquire Sears Holdings' 50% interest in each of the JVs in the Transaction.

We expect to generate revenues primarily by leasing our properties to tenants, including both Sears Holdings and third-party tenants, who will operate retail stores (and potentially other uses) in the leased premises, a business model common to many publicly traded REITs. In addition to revenues generated under the Master Lease through rent payments from Sears Holdings, we expect to generate revenue through leases to third-party tenants under existing and future leases for space at our properties, including the Acquired Properties. In addition, we will have an interest in the JV Properties through our 50% interest in each JV. The Master Lease provides us with the right to



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recapture up to approximately 50% of the space within the Sears or Kmart stores located at the Acquired Properties (the Stores ) (subject to certain exceptions), in addition to all of any automotive care centers which are free-standing or attached as appendages to the Stores, and all outparcels or outlots, as well as certain portions of parking areas and common areas, at the Acquired Properties leased to Sears Holdings under the Master Lease. We will have the right to reconfigure and rent the recaptured space to third-party tenants on potentially superior terms determined by us and for our own account. The JV Master Leases provide each JV with a similar right in respect of its JV Properties (other than one property owned by the Macerich JV). We also have the right to recapture 100% of the space within the Sears Holdings main store located on each of 21 identified Acquired Properties by making a specified lease termination payment to Sears Holdings, after which we expect to be able to reposition and re-lease those stores and potentially generate additional revenue. See Certain Relationships and Related Transactions The Master Lease.

Our initial portfolio of 235 Acquired Properties, consisting of approximately 36.7 million square feet of building space, will be broadly diversified by location across 49 states and Puerto Rico. These Acquired Properties will consist of 84 properties operated under the Kmart brand, 140 operated under the Sears brand, and eleven properties leased entirely to third parties. At certain of the Acquired Properties, third parties under existing leases occupy a portion of the overall leasable space alongside Sears Holdings. Third-party tenants will initially represent approximately 6.6% of our overall portfolio of Acquired Properties as a percentage of total leasable space and approximately 10% of existing rent. The amount of space leased to third-party tenants, and the resulting revenue, are expected to increase as we recapture space under the Master Lease and then re-lease it to such third-party tenants.

In addition, through our 50% interests in each of the GGP JV (the GGP JV Interes