

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re SEARS, ROEBUCK & CO. ERISA LITIGATION)	No. 02-C-8324
)	
)	Judge John W. Darrah
)	
This Document Relates To:)	
)	
ALL ACTIONS.)	

NOTICE OF CLASS ACTION SETTLEMENT

YOUR LEGAL RIGHTS MIGHT BE AFFECTED IF YOU ARE A MEMBER OF THE FOLLOWING CLASS:

All persons who were participants in or beneficiaries of the Sears 401(k) Savings Plan (which has been renamed the Sears Holdings 401(k) Savings Plan) (the "Plan") at any time during the period from January 17, 2002, through and including October 10, 2006 (the "Class").

**PLEASE READ THIS NOTICE CAREFULLY.
A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.
YOU HAVE NOT BEEN SUED.**

U.S. District Court Judge John W. Darrah of the United States District Court for the Northern District of Illinois (the "Court") has preliminarily approved a proposed settlement (the "Settlement") of a class action lawsuit brought under the Employee Retirement Income Security Act (often referred to as ERISA). The Settlement will provide for payments to the Plan and for allocation of those payments to the accounts of members of the Class who had portions of their Plan accounts invested in Sears, Roebuck & Co. ("Sears") common stock. The Settlement is summarized below.

The Court has scheduled a hearing to consider Named Plaintiffs' Motion for Final Approval of the Settlement and Co-Lead Counsel's Application for Attorneys' Fees and Expenses and for Compensation to the Named Plaintiffs. That hearing before U.S. District Judge John W. Darrah has been scheduled for May 24, 2007, at 9:00 a.m. in the Courtroom of Judge John W. Darrah, United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois 60604.

Any objections to the Settlement or the Motion for Attorneys' Fees and Expenses and Compensation to Named Plaintiffs must be served in writing on Co-Lead Counsel for the Class identified on Page 6 of this Notice, and on Defendants' attorneys, who are identified on Page 6 of this Notice. The procedure for objecting is described below.

This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in a Class Action Settlement Agreement ("Settlement Agreement" or "Agreement"). Capitalized terms used in this Notice but not defined in this Notice have the meanings assigned to them in the Agreement. The Agreement, and additional information with respect to this lawsuit and the Settlement, are available at an Internet site dedicated to the Settlement, www.SearsERISASettlement.com.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT BY FOLLOWING THE PROCEDURES DESCRIBED BELOW.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT

YOU ARE NOT REQUIRED TO DO ANYTHING.	If the Settlement is approved by the Court and you are a member of the Class, you will not need to do anything to receive a payment (if any). The portion, if any, of the Settlement Fund to be allocated to your Plan account will be calculated as part of the implementation of the Settlement.
NO ACTION IS NECESSARY TO RECEIVE A PAYMENT.	If you are currently participating in the Plan and are a member of the Class, any share of the Settlement Fund to which you are entitled will be deposited into your Plan account. If you no longer are a Plan participant but are a member of the Class, any share of the Net Settlement Fund to which you are entitled will be deposited in a Plan account that will be established for you, if necessary, and you will be notified of such account.
YOU MAY OBJECT TO THE SETTLEMENT BY MAY 7, 2007.	If you wish to object to any part of the Settlement, you may (as discussed below) write to the Court and counsel about why you object to the Settlement.
YOU MAY ATTEND THE FAIRNESS HEARING TO BE HELD ON MAY 24, 2007.	If you submit a written objection to the Settlement to the Court and counsel before the Court-approved deadline, you may (but do not have to) attend the Court Hearing about the Settlement and present your objections to the Court. You may attend the Hearing even if you do not file a written objection, but you will only be allowed to speak at the Hearing if you file written comments in advance of the Hearing.

- These rights and options – *and the deadlines to exercise them* – are explained in this Notice.
- The Court still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in the event of any appeal.

Further information regarding this litigation and this Notice may be obtained by contacting Plaintiffs’ Co-Lead Counsel:

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Ellen Gusikoff Stewart, Esq.
LERACH COUGHLIN STOIA GELLER
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655 West Broadway, Suite 1900
San Diego, CA 92101

Joseph H. Meltzer, Esq.
Edward W. Ciolko, Esq.
Mark K. Gyandoh, Esq.
SCHIFFRIN BARROWAY TOPAZ & KESSLER, LLP
280 King of Prussia Road
Radnor, PA 19087

Plaintiffs’ Co-Lead Counsel have established a toll-free phone number to receive your comments and questions: 1(866) 828-2487. You may also send an email to SearsERISAsettlement@sbtclaw.com.

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SUMMARY OF SETTLEMENT

This litigation (the “Action”) is a consolidated class action in which Plaintiffs allege that the Defendants breached fiduciary duties owed to the participants in and beneficiaries of the Plan under the Employee Retirement Income Security Act of 1974 (“ERISA”) arising from the Plan’s investments in Sears common stock during the relevant time period. Copies of the Complaint and other documents filed in the Action are available at www.SearsERISASettlement.com or from Co-Lead Counsel.

A Settlement Fund consisting of \$14.5 million in cash is being established in the Action. The net amount in the Settlement Fund, including interest, and after payment of any taxes, expenses, approved attorneys’ fees and costs, and compensation to the Named Plaintiffs, will be paid to the Plan and be allocated to Class Members according to a Plan of Allocation to be approved by the Court.

STATEMENT OF POTENTIAL OUTCOME OF THE ACTION

Defendants strongly dispute the claims asserted in the Action. Further, the Plaintiffs would face an uncertain outcome if the Action were to continue. Continued litigation could result in a judgment or verdict greater or less than \$14.5 million, or in no recovery at all.

The Plaintiffs and the Defendants disagree on liability, and do not agree on the amount that would be recoverable even if the Plaintiffs were to prevail at trial. The Defendants have denied and continue to deny all claims and contentions by the Plaintiffs. The Defendants deny that

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DO NOT CALL THE COURT OR SEARS WITH YOUR QUESTIONS.

they are liable to the Class, and that the Class or the Plan has suffered any damages for which the Defendants could be held legally responsible. Nevertheless, the Defendants have considered the uncertainty and risks inherent in any litigation, particularly in a complex case such as this, and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Agreement.

STATEMENT OF ATTORNEYS' FEES AND COSTS SOUGHT IN THE ACTION

Co-Lead Counsel will apply to the Court for an order awarding attorneys' fees not in excess of thirty percent (30%) of the amount recovered in the Settlement, plus reimbursement of expenses. Any amount awarded will be paid from the proceeds of the Settlement Fund. Defendants will take no position on this application and have no responsibility for payment of such fees and expenses.

WHAT WILL THE NAMED PLAINTIFFS GET?

The four Named Plaintiffs will share in the allocation of the Net Settlement Fund paid to the Plan on the same basis as all other members of the Class. In addition, the Named Plaintiffs will ask the Court to award to them up to \$5,000 each for their representation of the Class. Any such compensation will be paid solely from the proceeds of the Settlement Fund.

BASIC INFORMATION

1. WHY DID I GET THIS NOTICE PACKAGE?

You or someone in your family may have been a participant in or beneficiary of the Plan during the period from January 17, 2002, through and including October 10, 2006 (the "Class Period").

The Court directed that this Notice be sent to you because, if you fall within that group, you have a right to know about the Settlement and the options available to you regarding the Settlement, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the net amount of the Settlement Fund will be paid to the Plan and then allocated among Class Members according to a Plan of Allocation that would be approved by the Court. This Notice describes the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Northern District of Illinois, Eastern Division. The people who sued are called "Plaintiffs" or "Named Plaintiffs," and the people they sued are called "Defendants." The Plaintiffs are: Michael G. Cheperka; Bill Kehr; Kenneth L. Hawkins; and Margaret Villano. The Defendants are: Sears, Roebuck and Co.; Alan Lacy; Paul J. Liska; Glenn Richter; Thomas E. Bergmann; Greg A. Lee; Hall Adams, Jr.; Brenda Barnes; James R. Cantalupo; Donald J. Carty; W. James Farell; Michael A. Miles; Hugh B. Price; Dorothy A. Terrell; and Raul Yzaquirre. The Action is known as *In re Sears, Roebuck & Co. ERISA Litigation*, No. 02-C-8324.

2. WHAT IS THE ACTION ABOUT?

The Action claims that, under ERISA, the Defendants owed fiduciary duties of loyalty, care and prudence to the Plan, and that they violated those duties in connection with the Plan's investments in Sears common stock.

Participants in the Plan were able to allocate their account balances among various investment funds, including a fund primarily invested in Sears common stock (the "Sears Stock Fund"). Many Plan participants chose to have contributions to the Plan invested in the Sears Stock Fund. In addition, Sears made matching contributions, which were invested in the Sears Stock Fund and credited to Plan participants' accounts.

Plaintiffs allege that defendants violated ERISA by, among other things: (1) permitting the Plan to purchase and hold shares of Sears common stock during the Class Period when they allegedly knew or should have known it was imprudent to do so due to alleged material problems and accounting and financial reporting irregularities involving Sears' credit card division, including an increased risk of customer credit card defaults and inadequate reserves for uncollectible credit accounts, as well as the general macroeconomic environment affecting retailers during the Class Period; and (2) allegedly misrepresenting or failing to disclose material facts concerning, among other things, the proper level of Sears' reserve for uncollectible accounts and the overall financial condition of Sears' credit card business.

THE DEFENSES IN THE ACTION

The Defendants deny that they have liability to the Plan or its participants or beneficiaries. If the Action were to continue, the Defendants would raise numerous defenses to liability, including:

- They were not fiduciaries of the Plan, or, if they were fiduciaries, their fiduciary duties did not extend to the matters at issue in the Action;
- Sears common stock was a prudent investment for the Plan and its participants;
- Defendants fully and prudently discharged any fiduciary duties under ERISA;
- Even if they failed to discharge any duty under ERISA, any such failure did not cause the Plan or its participants to suffer any loss; and
- The Plan and its participants did not suffer any loss by holding Sears common stock because the decline in the value of the Sears common stock complained of in the Action was short-lived and nullified by a rebound in the Company's stock price.

THE ACTION HAS BEEN AGGRESSIVELY LITIGATED

Co-Lead Counsel has extensively investigated the allegations in the Action. Co-Lead Counsel have obtained and reviewed millions of pages of documents, including Plan governing documents and materials, communications with Plan participants, internal Sears documents, Securities and Exchange Commission ("SEC") filings, press releases, public statements, news articles and other publications, and other documents regarding the matters that the Plaintiffs allege made investment in the Sears Stock Fund imprudent. Co-Lead Counsel also participated in depositions of numerous witnesses and retained experts to investigate the facts, develop opinions, and prepare formal reports concerning the merits of the Action and estimates of the extent and scope of losses, damages and available relief.

This Action was litigated by the Named Plaintiffs and Co-Lead Counsel for almost four years before agreeing on settlement terms. Among other things, Co-Lead Counsel opposed a motion by the Defendants to dismiss the Plaintiffs' claims. The Court granted that motion in part and denied it in part. On March 31, 2004, the Defendants answered the Complaint, denying all allegations of wrongdoing and asserting affirmative defenses. Co-Lead Counsel also filed a motion for certification of the Action as a class action. After negotiation between the Parties, the Court granted certification of a class stipulated to by all parties. Following certification, Named Plaintiffs then successfully petitioned the Court, over Defendants' objections, to disseminate a notice of the Action to Class Members — you may have received this prior notice. Co-Lead Counsel also drafted and served on Defendants and non-party witnesses numerous discovery requests, and they prepared and served responses to written discovery requests made by Defendants. Each of the Named Plaintiffs has been deposed by Defendants.

SETTLEMENT DISCUSSIONS

The proposed Settlement is the product of hard-fought, lengthy negotiations between Co-Lead Counsel and the Defendants' counsel, mediated by a former federal judge. Throughout the negotiations, Co-Lead Counsel and the Defendants were advised by various consultants and experts, including individuals with expertise in ERISA fiduciary liability issues, insurance coverage issues, and the estimation of potential losses or damages in cases involving ERISA fiduciary liability.

3. WHY IS THIS CASE A CLASS ACTION?

In a class action, one or more plaintiffs, called "class representatives" or "Named Plaintiffs" sue on behalf of people who have similar claims. All of these people who have similar claims collectively make up the "Class" and are referred to individually as "Class Members." One case resolves the issues for all Class Members together. Because the wrongful conduct alleged in this Action affected a large group of people — participants of the 401(k) plan during the relevant time period — in a similar way, the Named Plaintiffs filed this case as a class action.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any final decision on the merits of the Plaintiffs' claims. Instead, the Named Plaintiffs and the Defendants have agreed to a settlement of all claims, thereby avoiding the cost, time, risks and delay of further litigation, including trial and likely appeals.

As in any litigation, the Plaintiffs would face an uncertain outcome if this case went to trial. On the one hand, continuation of the case against the Defendants could result in a judgment greater than this Settlement. On the other hand, continuing the case could result in no recovery at all, or a recovery that is less than the amount of the Settlement. Based on these factors, the Named Plaintiffs and Co-Lead Counsel have concluded that the proposed Settlement is in the best interests of all Class Members.

5. HOW DO I KNOW WHETHER I AM PART OF THE SETTLEMENT?

You are a member of the Class if you fall within the definition of the Class approved by Judge Darrah:

All Persons who were participants in and beneficiaries of the Sears 401(k) Savings Plan (which has been renamed the Sears Holdings 401(k) Savings Plan) at any time during the period January 17, 2002, through and including October 10, 2006.

If you are a member of the Class, the amount of money you will receive, if any, will depend upon the Plan of Allocation, described below.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. WHAT DOES THE SETTLEMENT PROVIDE?

A Settlement Fund consisting of \$14.5 million is being established in the Action. The net amount in the Settlement Fund, including interest, and after payment of, or establishment of reserves for, any taxes and Court-approved costs, fees, and expenses, including fees and expenses of Co-Lead Counsel, the Escrow Agent, and any Court-approved compensation to be paid to the Named Plaintiffs, will be paid to the Plan and, after payment of expenses incurred in calculating, satisfying and administering the allocation, the remaining amount will be allocated to the Plan accounts of members of the Class according to a Plan of Allocation to be approved by the Court. If necessary, an account will be created for those members of the Class who no longer have Plan accounts.

If the Settlement is approved by the Court, all Class Members and anyone claiming through them shall be deemed to fully release the "Released Persons" from "Settled Claims." The Released Persons are broadly defined, and include, among others, the Defendants and their officers, directors, employees, attorneys, agents, successors, assigns, heirs, executors and administrators. The Settled Claims are also broadly defined, and include all claims, which were or could have been asserted in the Action. This means that Class Members will not have the right

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to sue the Released Persons for anything related to the investment of Plan assets in Sears common stock or related matters during the Class Period.

The above description of the proposed Settlement is only a summary. The complete terms, including the definitions of the Released Persons and Settled Claims, are set forth in the Settlement Agreement (including its exhibits), which may be obtained at a dedicated Settlement Internet site, www.SearsERISASettlement.com or by contacting Co-Lead Counsel listed on Page 2 above.

7. HOW MUCH WILL MY PAYMENT BE?

Your share (if any) of the Settlement Fund, net of the fees and expenses described above, will depend on your alleged loss, compared to other Class Members' alleged losses, related to Plan investments in the Sears Stock Fund at any time during the period January 17, 2002, through and including October 10, 2006. Each Class Member's share will be calculated by State Street Bank & Trust Co., as trustee of the Plan, and CitiStreet LLC, as the record keeper of the Plan (the two of them together being the "Authorized Administrator") according to a Court-approved Plan of Allocation. Because the Settlement proceeds are less than the total losses alleged by the Class, each Class Member's recovery will be less than his or her alleged loss. You are not responsible for calculating the amount you may be entitled to receive under the Settlement.

In general, your proportionate share of the Settlement will be calculated as follows:

- Each Class Member's "Net Loss" will be calculated. For each Class Member, his or her Net Loss will be equal to: (a) the dollar value, if any, of his or her account balance in the Sears Stock Fund on the first day of the Class Period; plus (b) the dollar value, if any, of all purchases of interests in the Sears Stock Fund for his or her account during the Class Period, which purchases occurred on or before July 31, 2003, as of the time of purchase(s); minus (c) the dollar value, if any, of all dispositions of interests in the Sears Stock Fund in his or her account during the Class Period, which dispositions occurred on or before July 31, 2003, as of the time of the disposition(s); minus (d) the dollar value, if any, of the balance in the Sears Stock Fund remaining in his or her account on the close of business on July 31, 2003.
- All Net Losses will be aggregated to yield the total loss over the Class Period and each Class Member's percentage of that total loss will be calculated.
- Applying that percentage to the Settlement proceeds (net of fees and expenses as described above), the Authorized Administrator will calculate each Class Member's share of those proceeds on a preliminary basis.
- All participants whose preliminary share is less than or equal to ten dollars (\$10.00) will be deemed to have a final share equal to zero. The Authorized Administrator will then recalculate the net loss percentage of those Class Members whose preliminary share was greater than \$10.00, so as to arrive at each such Class Member's final share.

Do not worry if you do not have records that show your Plan activity. If you are entitled to a share of the Settlement Fund, you will receive a statement showing the amount of your share. If you have questions regarding the allocation of the settlement proceeds, please contact any of the Co-Lead Counsel listed on Page 2 above.

8. HOW CAN I GET A PAYMENT?

You do not need to file a claim. If you are a Class Member entitled to receive a share of the Settlement proceeds and you are a current Plan participant, your share will be deposited in your Plan account. If you are a Class Member entitled to receive a share of the Settlement proceeds but no longer a Plan participant, an account will be established for you in the Plan, and you will be notified of the account and how to withdraw the proceeds. If you are a former Plan participant and have not provided the Plan with your current address, please contact the Plan's record keeper, CitiStreet LLC at 1(888)875-0498, or contact (in writing) any of the Co-Lead Counsel listed on Page 2 above.

9. WHEN WOULD I GET MY PAYMENT?

The Settlement cannot be completed unless and until several events occur. These events include final approval of the Settlement by the Court, transfer of the Settlement payment to the Plan, and calculation of the amount of the Settlement proceeds owed to each Class Member. If objections are made to the Settlement or appeals are taken by objectors from approval of the Settlement, this process may take a long time to complete, possibly several years. The Settlement funds, however, will be invested in secure, interest-bearing securities, and the interest income will be included in the amount paid to the Plan and allocated to Class Members.

THERE WILL BE NO PAYMENTS IF THE SETTLEMENT AGREEMENT IS TERMINATED.

The Settlement Agreement may be terminated for several reasons, including if: (1) the Court does not approve, or materially modifies, the Agreement; or (2) the Court approves the Settlement Agreement but the approval is reversed or materially modified by an appellate court. If the Settlement Agreement is terminated, the Action will proceed as if the Settlement Agreement had not been entered into.

10. CAN I GET OUT OF THE SETTLEMENT?

You do not have the right to exclude yourself from the Settlement. The Settlement Agreement provides for certification of the Class as a non-opt class action under Federal Rule of Civil Procedure 23(b)(1) and the Court has preliminarily determined that the requirements of that Rule have been satisfied. Thus, it is not possible for any Class Members to exclude themselves from the Settlement. As a Class Member, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action or are otherwise released under the Settlement.

Although you cannot opt out of the Settlement, you can object to the Settlement and ask the Court not to approve it. See Answer to Question No. 13, below.

THE LAWYERS REPRESENTING YOU

11. DO I HAVE A LAWYER IN THE CASE?

The Court has appointed the law firms of Stull, Stull & Brody; Lerach Coughlin Stoia Geller Rudman & Robbins LLP; and Schiffrin Barroway Topaz & Kessler, LLP, as Co-Lead Counsel for the Plaintiffs in the Action. These lawyers are also called "Co-Lead Counsel." You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. HOW WILL THE LAWYERS BE PAID?

Co-Lead Counsel will file a motion for the award of attorneys' fees and expenses of not more than thirty percent (30%) of the Settlement Fund, plus reimbursement of expenses incurred in connection with the prosecution of the Action. This motion will be considered at the Fairness Hearing described below. Defendants will not take any position on that matter before the Court.

OBJECTING TO THE ATTORNEYS' FEES

By following the procedures described in response to Question No. 13, you can tell the Court that you do not agree with the fees and expenses the attorneys intend to seek and ask the Court to deny their motion or limit the award.

13. HOW DO I TELL THE COURT IF I DO NOT LIKE THE SETTLEMENT?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. To object, you must send a letter or other writing saying that you object to the Settlement in *In re Sears, Roebuck & Co. ERISA Litigation*, No. 02-C-8324. Be sure to include your name, address, telephone number, signature, and a full explanation of all the reasons why you object to the Settlement. ***Your written objection must be served on the following counsel and must be postmarked by no later than May 7, 2007:***

PLAINTIFFS' CO-LEAD COUNSEL

Edwin J. Mills, Esq.
STULL, STULL & BRODY
6 East 45th Street
New York, NY 10017

Darren J. Robbins, Esq.
Ellen Gusikoff Stewart, Esq.
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Joseph H. Meltzer, Esq.
Edward W. Ciolko, Esq.
Mark K. Gyandoh, Esq.
SCHIFFRIN BARROWAY TOPAZ & KESSLER, LLP
280 King of Prussia Road
Radnor, PA 19087

DEFENDANTS' COUNSEL

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Chicago, IL 60606

Kenneth B. Forrest, Esq..
Warren R. Stern, Esq.
WACHTELL, LIPTON, ROSEN & KATZ LLP
51 West 52nd Street
New York, NY 10019

You must also file your objection with the Clerk of the Court of the United States District Court for the Northern District of Illinois, Eastern Division. The address is: Clerk of the Court, 219 South Dearborn Street, Chicago, Illinois 60604. The objection must refer prominently to *In re Sears, Roebuck & Co. ERISA Litigation*, No. 02-C-8324. ***Your objection must be postmarked no later than May 7, 2007.***

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement as fair, reasonable and adequate (the "Fairness Hearing"). You may attend the Fairness Hearing, and you may ask to speak, but you do not have to attend.

14. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold the Fairness Hearing at 9:00 a.m. on May 24, 2007, at the United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois 60604, in the Courtroom then occupied by United States District Judge John W. Darrah. The Court may adjourn the Fairness Hearing without further notice to the Class, so, if you wish to attend, you should confirm the date and time of the Fairness Hearing with Co-Lead Counsel before doing so. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also rule on the Motions for Attorneys' Fees and Reimbursement of Expenses and for the Named Plaintiffs' Case Contribution Awards. We do not know how long these decisions will take or whether appeals will be taken.

15. DO I HAVE TO COME TO THE HEARING?

No, but you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement. You also may pay your own lawyer to attend the Fairness Hearing, but such attendance is not necessary.

16. MAY I SPEAK AT THE HEARING?

If you are a Class Member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Sears, Roebuck & Co. ERISA Litigation*, No. 02-C-8324." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed in the Answer to Question No. 13 above, postmarked no later than May 7, 2007, and must be filed with the Clerk of the Court at the address listed in the Answer to Question No. 13.

IF YOU DO NOTHING

17. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing and you are a Class Member, you will participate in the Settlement of the Action as described above in this Notice.

GETTING MORE INFORMATION

18. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

Yes. This Notice summarizes the proposed Settlement. The complete terms are set forth in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to the Co-Lead Counsel listed on Page 2 above. Copies may also be obtained at a dedicated Settlement Internet site, www.SearsERISASettlement.com, by calling the toll-free number 1(866)828-2487 or by sending an email to SearsERISAsettlement@sbtclaw.com. You are encouraged to read the complete Settlement Agreement.

DATED: MARCH 21, 2007

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

**IN RE SEARS, ROEBUCK & CO. ERISA LITIGATION
SETTLEMENT ADMINISTRATOR
C/O A.B. DATA, LTD.
P.O. BOX 170500
MILWAUKEE, WI 53217**

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**IMPORTANT INFORMATION ABOUT
IN RE SEARS, ROEBUCK & CO. ERISA LITIGATION**