

Sears Hometown & Outlet Stores, Inc.
 Form 4
 October 15, 2012

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SEARS HOLDINGS CORP

2. Issuer Name and Ticker or Trading Symbol
 Sears Hometown & Outlet Stores, Inc. [SHOS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 3333 BEVERLY ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/11/2012

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

HOFFMAN ESTATES, IL 60179

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	10/11/2012 ⁽¹⁾		X ⁽²⁾	23,100,000 D \$ 15 0		D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
Subscription rights ⁽³⁾	\$ 3.27 ⁽⁴⁾	10/11/2012 ⁽¹⁾		X ⁽²⁾	105,919,060	09/11/2012 10/08/2012	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SEARS HOLDINGS CORP 3333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179		X		

Signatures

By: /s/ Dorian R. Williams, Vice President, Deputy General Counsel and Assistant Secretary 10/15/2012

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The Reporting Person disposed of the shares of Sears Hometown and Outlet Stores, Inc. common stock on October 11, 2012 pursuant to the exercise of the previously distributed subscription rights. The Reporting Person disposed of such shares following receipt by the
- (1) Reporting Person of a cash dividend of \$100 million from Sears Hometown and Outlet Stores, Inc. in respect of such shares of Sears Hometown and Outlet Stores then held by the Reporting Person.
 - (2) Disposition of securities to holders of subscription rights upon exercise of those subscription rights.
 - (3) Reporting the closing of the subscription rights offering. The subscription rights were previously reported as disposed of by the Reporting Person on September 11, 2012.
 - (4) The price per whole share of Sears Hometown and Outlet Stores, Inc. common stock was \$15.00. Each subscription right entitled the holder of such right to purchase from Sears Holdings Corporation 0.218091 of a share of Sears Hometown and Outlet Stores, Inc. common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.