

Sears Canada Announces Plans to Shut Down

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Source: National Jewelers



Sears Canada, which operates independently from U.S.-based Sears Holdings, is seeking court approval to liquidate and close all stores. Pictured here is the company's store in the Promenade Mall in Thornhill, Ontario.

Toronto--Sears Canada announced earlier this week that it has failed to find a buyer and now is making moves to shut down.

The retailer, which is independent of the Sears Holdings that operates Sears and Kmart stores in the United States, said Tuesday that it is applying to the Ontario Superior Court of Justice for approval to liquidate all of its remaining stores and assets.

The court is expected to hear the motion on Friday.

Pending approval, Sears Canada said it expects to begin liquidation sales at retail locations no earlier than Oct. 19 and continue for 10 to 14 weeks.

Sears Canada currently employs approximately 12,000 people.

The retailer was granted creditor protection in June, after which it received court approval to look for proposals for the acquisition of or investment in the business, its assets or leases.

At that time, it announced plans to close 59 stores as part of a restructuring effort to continue operations.

Sears Canada said this week: "Following exhaustive efforts, no viable transaction for the company to continue as a going concern was received," leading it to seek approval for the liquidation that would allow it to wind down the business.

Excluding those 59 already announced as shutting down this summer, there will be 74 full-line stores, eight Sears Home stores and 49 Hometown stores that will close for a total of 131, according to a company spokesperson.



Sears Canada has reported nine years of sales declines and years of losses, according to data compiled by Bloomberg.

It broke off from Sears Holdings in 2012, but the latter still owns shares of the retailer, and its CEO, Eddie Lampert, still held a 45 percent stake in the company as of earlier this year.

U.S.-based Sears Holdings also has been struggling, reporting more than \$10 million in losses over the past six years, Bloomberg said.

It has been closing stores and selling off real estate to make money, and Lampert himself has pumped millions of his own money into the stateside retailer in attempts to turn it around, including a \$200 million credit line in July.