

# Hedge Fund Investor Attempts to Cut Severance for Former Sears Workers

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HEDGE FUND INVESTOR  
ATTEMPS TO CUT  
SEVERANCE FOR FORMER  
SEARS WORKERS

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2019-06-19

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The former CEO of Sears and hedge fund investor Eddie Lampert is requesting that a federal bankruptcy judge release him of the obligation to pay former Sears workers severance pay. In January, Sears announced that ESL was the winning bidder in a Bankruptcy Court-Supervised auction of the company's assets. The corporate press release surrounding the deal claimed it would save 45,000 jobs. Over the past 15 years, Sears has cut 250,000 jobs and closed 3,500 stores.

The \$5.2 billion bid from ESL acquired virtually all of Sears' assets. Now the subsidiary holding company of ESL Investments, Transform Holdco., is attempting to avoid paying the \$43 million in severance pay to former workers.

The subsidiary company is accusing Sears of not transferring ownership of its corporate headquarters, failing to deliver receivables and prepaid inventory, among other charges.

Similar to the Toys "R" Us bankruptcy last year, the hedge fund investors implicated in a leveraged buyout are attempting to invalidate severance agreements made to the former workers by removing severance pay. The strategy of buying out failing retailers, extracting as much profit as possible, and giving the workers as little in severance as possible benefits the investors, namely the capitalist class.

Sources: 1, 2, 3