

BUSINESS

Sears tries to reassure suppliers after bankruptcy filing

By Lisa Fickenscher

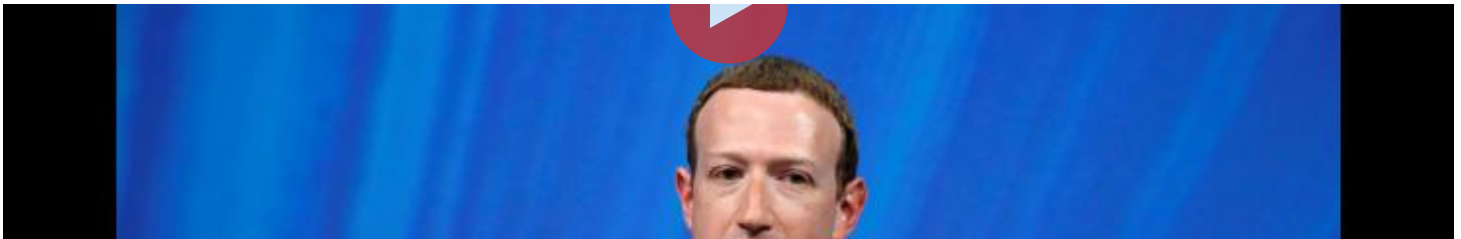
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Sears is sweet-talking its vendors now.

With the ink barely dry on [its Monday bankruptcy filing](#), the retailer fired off a letter to its suppliers — and followed up with phone calls — to reassure them that they will get paid if they ship new merchandise to Sears stores, The Post has learned.

“We do not anticipate any impact to vendor payments,” Chief Financial Officer Robert Riecker wrote in the letter obtained by The Post, adding, “We have sufficient funding for ongoing operations.”

Riecker pointed to the \$300 million debtor-in-possession financing that Sears got from its lenders to fund its operations and to an additional \$300 million in financing that is being negotiated — [and will likely come from billionaire Eddie Lampert](#), Sears’ largest shareholder and former CEO.

In court on Monday, Sears legal reps also boasted about an additional \$200 million — “a wind-down reserve account” based on assets that are not encumbered by liens — that the company will have access to for administrative claims, according to lawyers who attended the hearing. A Sears spokesman declined to comment on the reserve fund.

Many vendors are leery about the sales pitch.

“The old speech about ‘don’t worry, I’ve got financing’ doesn’t resonate anymore,” said bankruptcy attorney Kenneth Rosen of Lowenstein Sandler, which represents four Sears vendors.

At least two of Rosen’s clients pushed back when Sears asked for 30-day payment terms, agreeing instead to 15-day terms, according to Rosen, who declined to identify the vendors.

Sears is the first major bankruptcy [since Toys ‘R’ Us](#), which started out as a reorganization and spiraled into a liquidation. Toys ‘R’ Us vendors received just 22 cents on the dollar on the goods they shipped after the bankruptcy filing — a period in which vendors are supposed to be made whole on any new merchandise.

Some suppliers like Waste Management National Service, a Houston-based company that provides dumpsters for clearing out liquidated stores, expressed doubt in court on Monday that the \$300 million will still be available by the time its services are needed.

“That’s why Sears touted this extra \$200 million to give comfort that administrative expenses will be paid,” said restructuring lawyer Sean Southard of Klestadt Winters Jureller Southard & Stevens, whose firm represents several Sears vendors.

The general thinking, Southard added, “is that if you do business with Sears early on, you’ll clearly get paid by them out of the \$300 million” that lenders have guaranteed.

Meanwhile, Lampert made a rare appearance on Tuesday at Sears’ Hoffman Estates, Ill., headquarters to address employees, telling them the retailer needed to make “material progress” to avoid liquidation, [according to CNBC](#).

“There were mistakes along the way, for which I take responsibility,” Lampert also admitted, according to a transcript of his speech. “Those failures have affected me in many ways far greater than any successes I have had.”

