

**SERIES ADJUSTMENTS - 2004-092
 ONN INFORMATION CIRCULAR # 783
 November 23, 2004**

Sears Roebuck and Company (S) - Election Merger/Anticipated Adjustment

On Wednesday, November 17, 2004, Sears, Roebuck and Company (S) and Kmart Holding Corporation (KMRT) announce that they have signed a definitive merger agreement to form a new, combined company, "Sears Holdings Corporation". Consummation of the transaction is subject to various conditions, including the approval of shareholders of both companies. The merger is expected to become effective by the end of March, 2005.

The Merger: Aggregate Terms

If merger is approved and consummated, S Common Shares will be converted as follows:

Approximately 45% of all outstanding S Common Shares will be converted into \$50.00 in cash ("Cash Consideration"). Approximately 55% of all outstanding S Common Shares will be converted into .50 Sears Holdings Corporation Common Shares ("Stock consideration"). Cash will be paid in lieu of fractional shares.

The Merger: Individual Share Elections

Within the terms of the aggregate merger, individual S shareholders may:

- elect to receive \$50.00 cash, for each S Common Share (Cash Election), or
- elect to receive .50 Sears Holdings Corporation Common Shares for each S Common Share (Stock Election), or
- register no preference by not electing to receive the Cash or Stock Consideration (Non-Electing).

Under the terms of the election, shares which are not subject to an effective election will automatically be considered "non-electing" shares.

Non-electing S Shares will receive either Cash, Sears Holding Corporation Common Stock, or a combination of Cash and Stock as determined by the pro-ration formulae described in the Agreement and Plan of Merger and the upcoming Proxy Statement/Prospectus.

Pending Contract Adjustments

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding Sears Roebuck & Company options will be adjusted as follows:

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|----------------------------------|--|
| Adjustment Date: | To be announced |
| ISE Underlying Symbol | To be announced |
| Option Symbols | To be announced |
| Strike Prices: | No Change |
| No. Of Contracts: | No Change |
| Multiplier: | 100*(eg., Premium of 1.00 = \$100) |
| New Deliverable/Contract: | The deliverable for adjusted Sears, Roebuck and Co. options will be based on the merger consideration that accrues to non electing S shareholders (Stated in terms of a current 100 share S deliverable). As the adjusted deliverable may be cash, Sears Holdings Corporation Shares, or a combination of cash and Sears Holdings Corporation Shares. |

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0266.