

ONE OF THE TWO REMAINING KMARTS ON LONG ISLAND TO CLOSE BY FEBRUARY

Joshua Bauchner discusses Sears' bankruptcy causing local store closings in *Newsday*



Joshua S. Bauchner



By **Tory N. Parrish**

Another round of store closings by Kmart's parent company will leave Long Island with only one of the discount stores by February.

The Sayville store will be among 96 Kmart and Sears stores that will be shuttered by Transform Holdco LLC, which bought the assets of Kmart's former parent company, Sears Holdings Corp. in February, the company announced in a statement Thursday.

Kmart has been at 5151 Sunrise Hwy. in Sayville Plaza since 1991. The only other Kmart remaining on Long Island is in Bridgehampton.

Transform has "faced a difficult retail environment and other challenges" since buying Sears' assets and is trying to cut operations that have struggled, the company said.

"To support these initiatives, our owners (along with a third-party investor) have recently provided the company approximately \$250 million in new capital. As part of this process, we have made the difficult but necessary decision to streamline our operations and close 96 Sears and Kmart stores," said Transform, which is based in Hoffman Estates, Illinois.

Transform declined to comment beyond its statement, so it's unclear how many employees will be affected by the store closings.

Mired in debt and losing shoppers to discount competitors, such as Walmart and Target, and to online retailers, Hoffman Estates-based Sears Holdings closed hundreds of Sears and Kmart stores for years before filing for Chapter 11 bankruptcy protection in October 2018.



Shoppers look for bargains at the Sayville Kmart in 2016. After its closing, only one Kmart will remain on LI, in Bridgehampton. Credit: Ed Betz

Transform, an affiliate of former Sears CEO Eddie Lampert's ESL Investments Inc., bought Sears Holdings' assets for \$5.2 billion in February.

But the store closings continued.

In January 2010, Sears Holdings had 1,292 Kmart stores, 35 Kmart supercenters and 848 Sears that were full-line mall stores, according to an annual report.

The 96 closings announced Thursday will leave Transform with 182 Sears and Kmart stores.

Seven Long Island stores have closed since April 2018: Sears in Hicksville, New Hyde Park and Garden City, and Kmart in Farmingville, West Babylon, Riverhead and Huntington.

There are three remaining Sears stores on Long Island — in Smith Haven Mall in Lake Grove, Sunrise Mall in Massapequa and Green Acres Mall in Valley Stream.

A portion of Sayville Plaza that includes Kmart is the subject of a lawsuit filed against Sears Holdings in September 2017 by landlord Sayville Menlo.

The landlord alleges that Sears Holdings breached its lease by failing to make \$795,000 in repairs to the parking lot, roof, building facades and other areas, according to New York State Supreme Court filings.

Sears made some repairs but found others to be unnecessary, it said in filings.

Because of Sears' bankruptcy, the lawsuit was moved from state court to federal bankruptcy court, said [Joshua Bauchner](#), the lead attorney for the landlord and a partner in the law firm [Ansell Grimm & Aaron, PC](#), in New Jersey.

"We had to file an adversary complaint to restart the complaint in the bankruptcy proceeding in ... August," he said.