

ORCHARD SUPPLY HARDWARE STORES CORP

Form SC 13G/A

February 14, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

Orchard Supply Hardware Stores Corporation
(Name of Issuer)

Class A Common Stock, par value \$0.01 per share
(Title of Class of Securities)

685691 404
(CUSIP Number)

December 31, 2012
(Date of Event which Requires Filing of this Statement)

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Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☐ Rule 13d-1(c)

☒ Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 685691 404

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1. Name of Reporting Persons:

ESL Partners, L.P.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

1,182,621

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

OWNED BY
EACH
REPORTING
PERSON
WITH

0

7. Sole Dispositive Power:

1,182,621

8. Shared Dispositive Power:

767,353

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

1,949,974

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

40.4%

12. Type of Reporting Person (See Instructions):

PN

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1. Name of Reporting Persons:

ESL Institutional Partners, L.P.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

454

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

454

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

454

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.01%

12. Type of Reporting Person (See Instructions):

PN

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1. Name of Reporting Persons:

ESL Investors, L.L.C.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

0

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

0

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

0

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.0%

12. Type of Reporting Person (See Instructions):

OO

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1. Name of Reporting Persons:

ESL Investments, Inc.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

1,183,107

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

1,183,107

8. Shared Dispositive Power:

767,353

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

1,950,460

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

40.4%

12. Type of Reporting Person (See Instructions):

CO

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1. Name of Reporting Persons:

CRK Partners, LLC

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

32

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

32

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

32

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.0%

12. Type of Reporting Person (See Instructions):

OO

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1. Name of Reporting Persons:

Tynan, LLC

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

4,274

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

4,274

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

4,274

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.09%

12. Type of Reporting Person (See Instructions):

OO

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13G

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1. Name of Reporting Persons:

RBS Partners, L.P.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

1,182,621

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

1,182,621

8. Shared Dispositive Power:

767,353

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

1,949,974

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

40.4%

12. Type of Reporting Person (See Instructions):

PN

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1. Name of Reporting Persons:

RBS Investment Management, L.L.C.

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

Delaware

5. Sole Voting Power:

454

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

454

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

454

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.01%

12. Type of Reporting Person (See Instructions):

OO

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1. Name of Reporting Persons:

Edward S. Lampert

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

United States

5. Sole Voting Power:

1,950,460

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

OWNED BY
EACH
REPORTING
PERSON
WITH

0

7. Sole Dispositive Power:

1,183,107

8. Shared Dispositive Power:

767,353*

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

1,950,460

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

40.4%

12. Type of Reporting Person (See Instructions):

IN

* This number includes 594,318 Shares that are subject to the Lock-Up Agreement described in Item 4(a) of this Schedule 13G.

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1. Name of Reporting Persons:

William C. Crowley

2. Check the Appropriate Box if a Member of a Group

(a) ☐ (b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization:

United States

5. Sole Voting Power:

12,673

6. Shared Voting Power:

NUMBER OF
SHARES
BENEFICIALLY

0

OWNED BY
EACH
REPORTING
PERSON
WITH

7. Sole Dispositive Power:

9,665

8. Shared Dispositive Power:

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

12,673

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

11. Percent of Class Represented by Amount in Row (9):

0.3%

12. Type of Reporting Person (See Instructions):

IN

Item 1. (a). Name of Issuer

Orchard Supply Hardware Stores Corporation, a Delaware corporation (the Issuer)

(b). Address of Issuer's Principal Executive Offices:

6450 Via Del Oro

San Jose, California 95119

Item 2(a). Name of Person Filing

Item 2(b). Address of Principal Business Office

Item 2(c). Citizenship

(i) ESL Partners, L.P. (Partners)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(ii) ESL Institutional Partners, L.P. (Institutional)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(iii) ESL Investors, L.L.C. (Investors)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(iv) ESL Investments, Inc. (Investments)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(v) CRK Partners, LLC (CRK)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

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(vi) Tynan, LLC (Tynan)

6450 Via Del Oro

San Jose, California 95119

Citizenship: State of Delaware

(vii) RBS Partners, L.P. (RBS)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(viii) RBS Investment Management, L.L.C. (RBSIM)

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: State of Delaware

(ix) Edward S. Lampert

1170 Kane Concourse, Suite 200

Bay Harbor, Florida 33154

Citizenship: United States

(x) William C. Crowley

6450 Via Del Oro

San Jose, California 95119

Citizenship: United States

The foregoing persons are hereinafter sometimes collectively referred to as the Reporting Persons.

Item 2(d). Title of Class of Securities:

Class A Common Stock, par value \$0.01 per share (the Shares)

Item 2(e). CUSIP Number: 685691 404

Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

Not Applicable.

Item 4. Ownership.

(a) Amount beneficially owned:

As of December 31, 2012, the Reporting Persons beneficially owned an aggregate of 1,963,133 Shares. Partners held 1,182,621 Shares; Institutional held 454 Shares; CRK held 32 Shares; and Mr. Lampert held 767,353 Shares; Tynan held 4,274 Shares; and Mr. Crowley held 5,391 Shares directly and 3,008 unvested restricted Shares directly.

Mr. Lampert is the sole stockholder, chief executive officer and director of Investments. Mr. Crowley is a member and manager of Tynan and the chairman of the board of directors of the Issuer. Investments is the general partner of RBS, the sole member of CRK and the manager of RBSIM. RBS is the general partner of Partners and the managing member of Investors. RBSIM is the general partner of Institutional.

Mr. Lampert entered into a letter agreement with Partners (a Lock-Up Agreement) that restricts the purchases and sales by Mr. Lampert of the Shares. Pursuant to the Lock-Up Agreements, Mr. Lampert generally is required to sell Shares and purchase additional Shares on a pro rata basis with the sales and purchases of Shares made by Partners, and generally must make such sales and purchases on substantially the same terms and conditions as Partners (subject to certain legal, tax, accounting or regulatory considerations). Mr. Lampert is also restricted from certain sales of Shares or purchases of additional Shares except in accordance with the Lock-Up Agreement. Mr. Crowley had previously entered into a similar Lock-Up Agreement which has been terminated.

Investments, Mr. Lampert, Mr. Crowley and ACOF I LLC (ACOF) entered into a Second Amended and Restated Stockholders Agreement, dated as of December 30, 2011 (the

Stockholders Agreement) that provides for certain rights and obligations with respect to the Issuer's securities. Pursuant to the Stockholders Agreement, Investments, ACOF and their affiliates have consent rights over certain corporate activities, the ability to elect members of the Issuer's board of directors and demand and piggyback registration rights over the Issuer's securities. The Stockholders Agreement also grants each party a right of first offer on shares proposed to be transferred to a third party that is not a permitted transferee, and, prior to a securities offering of the Issuer or its subsidiaries, ACOF has a preemptive right, which allows it to purchase a pro rata portion of the offered securities under certain circumstances. If either (i) Investments, Mr. Lampert or Mr. Crowley or (ii) ACOF desires to purchase securities of the Issuer, then they must offer the other party, as applicable, the opportunity to participate up to 50% in such purchase. The Stockholders Agreement is filed as Exhibit 4.1 to the Issuer's Current Report on Form 8-K (File No. 001-11679) filed with the Securities and Exchange Commission (the Commission) on January 5, 2012.

Given the terms of the Lock-Up Agreement and the Stockholders Agreement, the Reporting Persons may be deemed to constitute a group for purposes of Section 13(d)(3) of the Act. The Share ownership reported herein by the Reporting Persons does not include any Shares owned by ACOF.

Based upon the foregoing, as of the date hereof, each of the Reporting Persons may be deemed to be the beneficial owner of the number of Shares set forth in Item 9 of such Reporting Person's cover page hereto. Each Reporting Person disclaims beneficial ownership of the Shares not held directly by such Reporting Person.

(b) Percent of class:

Based on the Quarterly Report on Form 10-Q filed by the Issuer with the Commission on December 11, 2012, there were 4,830,147 Shares outstanding as of November 30, 2012. Each of the Reporting Persons may be deemed to be the beneficial owner of the percentage of outstanding Shares set forth in Item 11 of such Reporting Person's cover page hereto.

(c) Number of Shares as to which the Reporting Person has:

ESL Partners, L.P.

(i) Sole power to vote or to direct the vote:

1,182,621

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

1,182,621

(iv) Shared power to dispose or to direct the disposition of:

767,353

ESL Institutional Partners, L.P.

(i) Sole power to vote or to direct the vote:

454

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

454

(iv) Shared power to dispose or to direct the disposition of:

0

ESL Investors, L.L.C.

(i) Sole power to vote or to direct the vote:

0

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

0

(iv) Shared power to dispose or to direct the disposition of:

0

ESL Investments, Inc.

(i) Sole power to vote or to direct the vote:

1,183,107

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

1,183,107

(iv) Shared power to dispose or to direct the disposition of:

767,353

CRK Partners, LLC

(i) Sole power to vote or to direct the vote:

32

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

32

(iv) Shared power to dispose or to direct the disposition of:

0

Tynan, LLC

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(i) Sole power to vote or to direct the vote:

4,274

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

4,274

(iv) Shared power to dispose or to direct the disposition of:

0

RBS Partners, L.P.

(i) Sole power to vote or to direct the vote:

1,182,621

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

1,182,621

(iv) Shared power to dispose or to direct the disposition of:

767,353

RBS Investment Management, L.L.C.

(i) Sole power to vote or to direct the vote:

454

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

454

(iv) Shared power to dispose or to direct the disposition of:

0

Edward S. Lampert

(i) Sole power to vote or to direct the vote:

1,950,460

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

1,183,107

(iv) Shared power to dispose or to direct the disposition of:

767,353 (includes 594,318 Shares that are subject to the Lock-Up Agreement described in Item 4(a) of this Schedule 13G)

William C. Crowley

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(i) Sole power to vote or to direct the vote:

12,673

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

9,665

(iv) Shared power to dispose or to direct the disposition of:

0

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: x

As of the date hereof, ESL Investors, L.L.C. does not beneficially own any Shares of the Issuer. See also Item 9.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

See Item 2(c); Item 4 and Item 5.

Item 9. Notice of Dissolution of Group.

Effective June 1, 2012, Investments has relocated to Miami, Florida. As a result of that change in location, Mr. Crowley determined he was unable to relocate to Miami for personal reasons, he ceased to serve as President and Chief Operating Officer of Investments, and the Lock-Up Agreement with Mr. Crowley was terminated. This Amendment No. 1 to Schedule 13G reflects the removal of Tynan, LLC and Mr. Crowley as Reporting Persons, and, if required, Tynan, LLC and Mr. Crowley will hereafter file amendments to Schedule 13G separately.

Item 10. Certification.

Not Applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 14, 2013

ESL PARTNERS, L.P.

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert

Name: Edward S. Lampert

Title: Chief Executive Officer

ESL INSTITUTIONAL PARTNERS, L.P.

By: RBS Investment Management, L.L.C., as its general partner

By: ESL Investments, Inc., as its manager

By: /s/ Edward S. Lampert

Name: Edward S. Lampert

Title: Chief Executive Officer

ESL INVESTORS, L.L.C.

By: RBS Partners, L.P., as its manager

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert

Name: Edward S. Lampert

Title: Chief Financial Officer

ESL INVESTMENTS, INC.

By: /s/ Edward S. Lampert

Name: Edward S. Lampert

Title: Chief Executive Officer

CRK PARTNERS, LLC

By: ESL Investments, Inc., as its sole member

By: /s/ Edward S. Lampert
Name: Edward S. Lampert

Title: Chief Executive Officer

TYNAN, LLC

By: /s/ William C. Crowley
Name: William C. Crowley

Title: Manager

RBS PARTNERS, L.P.

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert
Name: Edward S. Lampert

Title: Chief Executive Officer

RBS INVESTMENT MANAGEMENT, L.L.C.

By: ESL Investments, Inc., as its manager

By: /s/ Edward S. Lampert
Name: Edward S. Lampert

Title: Chief Executive Officer

EDWARD S. LAMPERT

/s/ Edward S. Lampert
Edward S. Lampert

WILLIAM C. CROWLEY

/s/ William C. Crowley
William C. Crowley