

LACY ALAN J
Form 4
January 04, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LACY ALAN J

2. Issuer Name and Ticker or Trading Symbol
SEARS ROEBUCK & CO [S]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3333 BEVERLY ROAD, B6 277A

3. Date of Earliest Transaction (Month/Day/Year)
01/03/2005

Director 10% Owner
 Officer (give title below) Other (specify below)

Chief Executive Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

HOFFMAN ESTATES, IL 60179

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount or (D) Price			
Common Shares	01/03/2005	01/03/2005	M	19,788 (1) A \$ 21.64	128,794	D	
Common Shares	01/03/2005	01/03/2005	F	11,754 (1) D \$ 51.92	117,040	D	
Common Shares	01/03/2005	01/03/2005	M	31,111 (2) A \$ 31.07	148,151	D	
Common Shares	01/03/2005	01/03/2005	F	22,297 (2) D \$ 51.92	125,854	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Common Share Units	(3)	01/03/2005	01/03/2005	A		234,6007		(3)	(3)	Common Shares
Option (Right to Buy)	\$ 51.92	01/03/2005	01/03/2005	A		8,247		01/03/2006 ⁽⁴⁾	02/13/2013	Common Shares
Option (Right to Buy)	\$ 51.92	01/03/2005	01/03/2005	A		18,617		01/03/2006 ⁽⁴⁾	02/01/2010	Common Shares
Option (Right to Buy)	\$ 21.64	01/03/2005	01/03/2005	M			19,788	02/13/2004	02/13/2013	Common Shares
Option (Right to Buy)	\$ 31.07	01/03/2005	01/03/2005	M			31,111	02/01/2001	02/01/2010	Common Shares
Common Share Units	(7)	01/03/2005	01/03/2005	A		169,9936		(7)	(7)	Common Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LACY ALAN J 3333 BEVERLY ROAD B6 277A HOFFMAN ESTATES, IL 60179	X		Chief Executive Officer	

Signatures

By:/s/ Ellis A. Regenbogen as
Attorney-in-Fact

01/04/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Mr. Lacy exercised a stock option for 19,788 shares with reload features. He surrendered 11,754 shares to pay the exercise price and tax withholding obligations related to the option exercise.

(2) Mr. Lacy exercised a stock option for 31,111 shares with reload features. He surrendered 22,297 shares to pay the exercise price and tax withholding obligations related to the option exercise.

These common share units were acquired pursuant to the Sears, Roebuck and Co. Deferred Compensation Plan, as Amended and Restated to December 13, 2000 (the "Plan"). These units represent salary, annual incentive, long-term incentive and/or dividend payments deferred under the Plan, converted into units based on the market price of Sears common shares on the date of deferral and held in the non-diversifiable account of the Plan. The units are credited with amounts representing dividends on common shares, as declared, which are also converted into units. The common share units are settled in Sears common shares following separation from service.

(4) The stock option will vest in three equal annual installments beginning 01/03/2006.

(5) Stock option reload grant

(6) Employee Stock Option grant in consideration of service as an employee.

These common share units were acquired pursuant to the Sears, Roebuck and Co. Deferred Compensation Plan, as Amended and Restated to December 13, 2000 (the "Plan"). These units represent salary, annual incentive, long-term incentive and/or dividend payments deferred under the Plan and converted into units based on the market price of Sears common shares on the date of deferral. The units are credited with amounts representing dividends on common shares, as declared, which are also converted into units. The common share units are to be settled in cash, either in a lump sum or in a series of annual payments, following separation from service.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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