Its stock dropped $10.66, or 23.3 percent, to $35.19 in midday trading. The shares dipped to their lowest point in more than three years at $35.13 earlier in the session.

NEW YORK (AP) -- Sears Holdings Corp. plans to close between 100 and 120 Sears and Kmart stores to raise cash after a weak holiday shopping season for the retailer. The closings fueled speculation about whether the 125-year-old retailer can turn itself around.

The closings are the latest and most visible in a long series of moves to try to fix a company that has struggled with falling sales and shabby stores as rivals like Wal-Mart Stores Inc. and Target Corp. spruced up their looks and turned into one-stop shopping sources.

"There's no reason to go to Sears," said New York-based independent retail analyst Brian Sozzi, "It offers a depressing shopping experience and uncompetitive prices."

Billionaire investor Edward Lampert purchased Kmart out of bankruptcy in 2003 and bought Sears, Roebuck & Co. a year later. Since 2004 Sears Holdings - which operates both Kmart and Sears stores - has watched its cash and short-term investments go from about $2.09 billion for the year ended Jan. 31, 2004 to $1.34 billion for the year ended Jan. 31, 2011, according to FactSet. The figure now stands at about $700 million.

Credit Suisse analyst Gary Balter says the softer-than-expected holiday sales performance point to "deepening problems at this struggling chain and renewed worries about Sears survivability."

Balter added that Sears' weakening performance may lead its vendors to start to worry about their exposure. If vendors stop shipping to a retailer or start insisting on cash up front, it can spell the end.

That company disputes talk that it is in trouble financially or will have problems surviving. Spokesman Chris Brathwaite says Sears Holdings has more than $3.5 billion of liquidity, consisting of $700 million in cash and $2.9 billion available under its credit lines.

Still, Sears Holdings said its declining sales, ongoing pressure on profit margins and rising expenses pulled its adjusted earnings lower. The company predicts fourth-quarter adjusted earnings will be less than half the $933 million it reported for the same quarter last year.

The retailer also anticipates a non-cash charge of $1.6 billion to $1.8 billion in the quarter to write off the value of carried-over tax deductions it now doesn't expect to be profitable enough to use.

Some industry experts say part of the problem Sears is facing is that economic difficulties continue to grip its core customers. These middle-income shoppers have seen their wages fail to keep up with higher costs for household basics like food.

But the bigger issue, analysts say, is that Sears hasn't invested in remodeling, leaving its stores uninviting.

Preschool teacher Sara Kriz concurred. Picking up conditioner at a Kmart in Manhattan on Tuesday, Kriz said she shops at Kmart "only when I have to," which amounts to once every few months. Yet she goes to Wal-Mart or Target nearly every week because, she said, they are cleaner and better stocked.

"It seems easier to go to Target and Wal-Mart to get the same thing at the same price," she said.

Sears Holdings announced Tuesday that revenue at stores open at least a year fell 5.2 percent for the quarter-to-date at both Sears and Kmart. That includes the critical holiday shopping period. Its Kmart stores reported a 4.4 percent decline, with layaway faltering as rivals like Wal-Mart and Toys R Us found success with their own layaway programs, which allow financially stressed shoppers to finance their holiday purchases by paying a little at a time.

Both Kmart and Sears stores reported weak consumer electronics sales. Sears, whose same-store revenue dropped 6 percent, also reported softer sales of home appliances. The same-store revenue metric is a key gauge of a retailer's health because it excludes results from stores recently opened or closed.

Sears Holdings appeared to stumble early in the holiday season, as it opened its Sears, Roebuck and Co. stores at 4 a.m. on Black Friday, the day after Thanksgiving. Rivals including Best Buy Co., Wal-Mart and Toys R Us opened as early as Thanksgiving night. Sears stores had opened on Thanksgiving Day in 2010. Kmart has been opening on Thanksgiving for years.

A hint that trouble might be brewing came in mid-December when Sears Holdings unexpectedly announced that 260 of its Sears, Roebuck and Co. locations would stay open until midnight

through Dec. 23.

In an internal memo Tuesday to employees, CEO and President Lou D'Ambrosio said that the retailer had not "generated the results we were seeking during the holiday."

The company said that the store closings will generate $140 to $170 million in cash from inventory sales. It expects the sale or sublease of real estate holdings to add more cash.

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Sears Holdings said it also plans to lower its fixed costs by $100 million to $200 million and trim its 2012 peak domestic inventory by $300 million from 2011's $10.2 billion at the third quarter's end.