United States Bankruptcy Court NORTHERN DISTRICT OF ILLINOIS	PROOF OF CLAIM
In re (Name of Debtor) K- MART CORPORATION	Case Number 02- 02474

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C §503.

Name of Creditor

(The person or other entity to whom the debtor owes money or property)

The Continental CASUALTY Company As Agent For:

FRANCO MFG CO. INC.

Name and Address Where Notices Should be Sent

FRANCO MFG CO. INC.
c/o The Continental CASUALTY Company
P.O. Box 905
Monmouth Junction, NJ 08852-0905
ATTN: DAVID J. MILLER
Telephone No. (732) 398-4522

☐ Check box if you are aware that anyone else has filed a Proof of claim relating to your claim. Attach copy of statement giving particulars.

⊗ Check box if you have never received any notices from the Bankruptcy court in this case.

⊗ Check box if the address differs from the address on the envelope sent to you by the Court.

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ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:

008965873

Check here if this claim amends a previously filed claim dated: _

1. BASIS FOR CLAIMS

⊗ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☐ Other (Describe briefly)

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)

☐ Wages, salaries, and compensation (Fill out below)
Your social security number _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. DATE DEBT WAS INCURRED

10/27/00 TO 2/5/02

3. IF COURT JUDGMENT, DATE OBTAINED:

4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of al claim to be in one category and part in another.

CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.

☐ SECURED CLAIM $_____
Attach evidence of perfection of security interest
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle ☐ Other (Describe briefly)

Amount of arrearage and other charges at time case filed included in secured claim above, if any $_____

⊗ UNSECURED NONPRIORITY CLAIM $ $762,757.44

A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

☐ UNSECURED PRIORITY CLAIM $_____

Specify the priority of the claim.

☐ Wages, salaries, or commissions (up to $2000), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, Whichever is earlier -11 U.S.C. § 507(a)(3)

☐ Contributions to an employee benefit plan--11 U.S.C. § 507(a)(4)

☐ Up to $1,800* of deposits toward purchase, lease, or rental of property or services for Personal, family, or household use--11 U.S.C. § 507(a)(6)

☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - U.S.C. § 507 (a)(7)

☐ Taxes or penalties of governmental units--11 U.S.C § 507(a)(7)

☐ Other- Specify applicable paragraph of 11 U.S.C. § 507 (a) _____

*Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with Respect to cases commenced on or after the date of adjustment.

CLAIM AT TIME CASE FILED: $762,757.44 (Unsecured) $_____ (Secured) $_____ (Priority) $ 762,757.44 (Total)

☐ Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.

RECEIVED TRUMBULL SERVICES BANKRUPTCY

6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this Proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.

7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized Statements of running accounts, contracts, court judgments, or evidence of security interests. If the documents are not Available, explain. If the documents are voluminous, attach a summary.

8. TIME-STAMPED COPY: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

2002 FEB 25 PM 3:12

2-25-02
258 SM

DATE 2/20/02

David J. Miller

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)

DAVID J. MILLER
CLAIMS TECHNICIAN

franco manufacturing co., inc.

PHONE (732) 494-0500 D-U-N-S 133-8110
P.O. BOX 10534
NEWARK, NEW JERSEY 07193-0534

DATE 2/07/02

TO: KMART BANKRUPTCY ACCT
3100 W. BIG BEAVER RD
DC INVOICING DEPT
TROY MI 48084-3163
UNITED STATES OF AMERICA

ACCT. NO. 40001

PAGE NO. 1

DATE	CD					
10/27/00	IN	1041573	7836125	00020	90	590.40
11/16/00	IN	1171049	080080164	31640	90	38.55
11/16/00	IN	1170772	080080162	32340	90	42.00
2/22/01	IN	0283627	220019326	93260	90	33.30
4/03/01	IN	0469842	151646	98180	90	213.00
5/04/01	IN	0566697	022801-4488	44880	90	43.47
7/19/01	IN	0782820	7063829	38290	90	168.30
7/19/01	IN	0782821	7063972	39720	90	56.10
7/19/01	IN	0782822	7067413	74130	90	56.10
8/21/01	IN	0867440	152878	43310	90	91.80
9/11/01	IN	0911764	151968-APT001	99960	90	10,140.00
10/08/01	IN	1070060	151969-APT003	99940	90	12,402.00
10/08/01	IN	1070067	151984-APT003	99940	90	26,138.10
11/14/01	IN	1156637	151970-APT002	99980	60	16,926.00
11/15/01	IN	1159377	151973-APT004	99900	60	25,368.00
11/15/01	IN	1159383	151979-APT004	99900	60	7,477.20
11/15/01	IN	1159373	151970-APT003	99940	60	9,984.00
11/15/01	IN	1100214	080464119	99960	60	16,524.00
11/15/01	IN	1159369	151967-APT001	99960	60	2,287.80
11/15/01	IN	1159375	151973-APT001	99960	60	996.60
11/15/01	IN	1159381	151979-APT001	99960	60	1,060.20
11/15/01	IN	1100215	080464120	99980	60	11,209.80
12/01/01	IN	1200222	080464126	99900	60	2,815.20
12/01/01	IN	1200226	080464130	99900	60	21,120.60
12/01/01	IN	1200225	080464129	99940	60	22,731.60
12/01/01	IN	1200223	080464127	99960	60	26,097.60
12/03/01	IN	1200227	080080369	99980	60	38,898.72
12/05/01	IN	1200229	080080371	99900	60	60,270.72
12/05/01	IN	1200228	080080368	99960	60	52,356.60
12/06/01	IN	1200234	080464134	99900	60	13,174.20
12/06/01	IN	1200230	080080370	99940	60	78,819.12
12/06/01	IN	1200233	080464133	99940	60	13,476.60
12/06/01	IN	1200231	080464131	99960	60	14,786.40

IN INVOICE
CM CREDIT
CB CHARGE BACK
OA ON ACCT.

FA FREIGHT
DA DISCOUNT
SS SHORTAGE
PA PRICING
BA BILLING
AA ADD.
MR MDSE. RET.
UN MISC.

PLEASE PAY THIS AMOUNT ▶

CURRENT	31-60 DAYS	61-90 DAYS	OVER 91 DAYS

CONTINUED NEXT PAGE

franco manufacturing co., inc.

PHONE (732) 494-0500 D-U-N-S 133-8110
P.O. BOX 10534
NEWARK, NEW JERSEY 07193-0534

DATE 2/07/02

TO: KMART BANKRUPTCY ACCT
3100 W. BIG BEAVER RD
DC INVOICING DEPT
TROY MI 48084-3163
UNITED STATES OF AMERICA

ACCT. NO. 40001

PAGE NO. 2

DATE	CD	REF NO					
12/06/01	IN	1200232		080464132	99980	60	5,377.20
12/11/01	IN	1227792		08273672870	82730	30	3,159.00
12/11/01	IN	1227794		08290359430	82900	30	5,670.00
12/12/01	IN	1200238		080464138	99900	30	10,388.40
12/12/01	IN	1200237		080464137	99940	30	9,966.00
12/12/01	IN	1200235		080464136	99980	30	6,534.00
12/13/01	IN	1200239		080464135	99960	30	10,708.20
12/13/01	IN	1235155		08287410485	82870	30	22,599.00
12/13/01	IN	1235156		08288361630	82880	30	8,707.50
12/13/01	IN	1235157		08303406933	83030	30	22,558.50
12/14/01	IN	1236137		08298431571	82980	30	27,175.50
12/21/01	IN	1200243		080464142	99900	30	2,811.60
12/21/01	IN	1200242		080464141	99940	30	2,750.40
12/21/01	IN	1200240		080464139	99960	30	1,161.60
12/21/01	IN	1200241		080464140	99980	30	823.80
1/10/02	IN	0100247		080464146	99900	CUR	15,013.80
1/10/02	IN	0100246		080464145	99940	CUR	16,446.00
1/10/02	IN	0100244		080464143	99960	CUR	10,264.80
1/10/02	IN	0100245		080464144	99980	CUR	9,073.80
1/16/02	IN	0100248		080080373	99980	CUR	6,155.52
1/18/02	IN	0100251		080080375	99900	CUR	10,744.02
1/18/02	IN	0100250		080080374	99940	CUR	13,225.14
1/18/02	IN	0100249		080080372	99960	CUR	12,853.38
2/05/02	IN	0200523	UN	080464123	99960	CUR	42,196.20

IN INVOICE
CM CREDIT
CB CHARGE BACK
OA ON ACCT.

FA FREIGHT
DA DISCOUNT
SS SHORTAGE
PA PRICING
BA BILLING
AA ADD.
MR MDSE. RET.
UN MISC.

PLEASE PAY THIS AMOUNT ▶ 762,757.44

CURRENT	31-60 DAYS	61-90 DAYS	OVER 91 DAYS
135,972.66	135,013.50	441,758.16	50,013.12

CNA INSURANCE IN TOUCH WITH BUSINESS

PO Box 905 Monmouth Junction NJ 08852-0905

David J. Miller
Bankruptcy Claims
CNA Credit Department
Telephone 732-398-4522
Facsimile 732-398-5232
Internet David 1. MILLER@CNA.COM

February 20, 2002

KMART CORPORATION
CREDIT MANAGER
C/O TRUMBULL SERVICES
P.O. BOX 426
WINDSOR, CT 06095

RE: DEBTOR: K- MART CORPORATION
CREDITOR: *THE CONTINENTAL CASUALTY COMPANY AS AGENT FOR:* ***FRANCO MFG. CO. INC***
CASE # 02- 02474

Dear Sir or Madam:

We insure the accounts receivable of the captioned creditor by virtue of a Policy of Credit Insurance. We are enclosing our insured's executed proof of claim in duplicate together with supporting documentation. Please acknowledge receipt of this filing by stamping & returning the duplicate claim form in the enclosed postage paid envelope. Our address should be used in all future correspondence.

Thank you for your cooperation.

Sincerely yours,

David J. Miller

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