

United States Bankruptcy Court
Northern DISTRICT of IL

PROOF OF CLAIM

In re (Name of Debtor)
KMART CORPORATION, ET AL.

Case Number
02 B 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)
**Continental Casualty Company As Agent for:
 Account Funding Inc./ Flora Forte**

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.

Name and Address Where Notices Should be Sent
**Account Funding Inc./Flora Forte
 C/o Continental Casualty Company
 P.O. Box 905
 Monmouth Junction, NJ 08852-0905
 ATTN: DENISE FIRELLI
 Telephone No. (732) 398-4514**

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.

THIS SPACE IS FOR COURT USE ONLY

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:
008965873

Check here if this claim replaces 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 _____ to _____
 (date) (date)

2. DATE DEBT WAS INCURRED
10/31/01 - 01/15/02

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 a 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 **\$38,164.25**

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 **\$38,164.25** \$ _____ \$ _____
 CASE FILED: (Unsecured) (Secured) (Priority)

\$38,164.25
 (Total)

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

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

KP 629

DATE
3/13/02

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)
Denise Firelli

**Denise Firelli
 Claims Technician**

3/18/02

ACCOUNT FUNDING, INC.
P.O. BOX 55788
SHERMAN OAKS, CA 91403

Acct ID: 600-KMRT01

K MART
K MART INVOICING DEPT #4
PO BOX 7101
TROY, MI 48007-7101

S T A T E M E N T
As of: January 28, 2002

Inv Date	PO#/Description	Due Date	Invoice Number	Balance	Credit
<u>FLORA FORTE/AMELLICO</u>					
11/05/01		12/05/01	46165	405.00	
11/05/01		12/05/01	46166	268.80	
11/05/01		12/05/01	46171	540.00	
11/05/01		12/05/01	46178	672.75	
11/05/01		12/05/01	46183	1,094.40	
11/08/01		12/08/01	46187	682.20	
11/08/01		12/08/01	46190	828.00	
11/08/01		12/08/01	46194	682.20	
11/08/01		12/08/01	46196	824.40	
11/19/01		12/19/01	46224	100.70	
11/19/01		12/19/01	46227	155.10	
12/20/01		01/19/02	46233	582.00	
12/20/01		01/19/02	46234	547.20	
12/20/01		01/19/02	46235	829.50	
12/20/01		01/19/02	46256	168.00	
12/28/01		01/27/02	46263	1,444.60	
12/28/01		01/27/02	46265	462.20	
12/28/01		01/27/02	46269	213.00	
12/28/01		01/27/02	46270	132.00	
12/28/01		01/27/02	46271	153.00	
12/28/01		01/27/02	46272	153.30	
12/28/01		01/27/02	46275	208.80	
01/07/02		02/06/02	46285	999.60	
01/07/02		02/06/02	46288	2,160.00	
01/07/02		02/06/02	46291	810.00	
01/07/02		02/06/02	46292	270.00	
01/07/02		02/06/02	46293	810.00	

PAYMENT NOW PAST DUE , PLEASE REMIT PROMPTLY

Statement continued on next page...

Address Questions To: ACCOUNTS RECEIVABLE AT 800 666-3928

ACCOUNT FUNDING, INC.
P.O. BOX 55788
SHERMAN OAKS, CA 91403

Acct ID: 600-KMRT01

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K MART INVOICING DEPT #4
PO BOX 7101
TROY, MI 48007-7101

S T A T E M E N T
As of: January 28, 2002

Inv Date	PO#/Description	Due Date	Invoice Number	Balance	Credit
<u>FLORA FORTE/AMELLICO</u>					
01/07/02		02/06/02	46294	1,450.20	
01/07/02		02/06/02	46296	678.80	
01/07/02		02/06/02	46297	517.20	
01/07/02		02/06/02	46298	540.00	
01/11/02		02/10/02	46299	1,755.00	
01/11/02		02/10/02	46300	631.20	
01/11/02		02/10/02	46301	270.00	
01/11/02		02/10/02	46303	1,620.00	
01/11/02		02/10/02	46304	1,620.00	
01/11/02		02/10/02	46305	1,755.00	
01/11/02		02/10/02	46306	691.50	
01/11/02		02/10/02	46307	620.20	
01/11/02		02/10/02	46308	496.20	
01/11/02		02/10/02	46309	547.20	
01/11/02		02/10/02	46314	405.00	
01/11/02		02/10/02	46315	540.00	
01/11/02		02/10/02	46316	270.00	
01/11/02		02/10/02	46317	810.00	
01/11/02		02/10/02	46318	540.00	
01/23/02		02/22/02	46341	540.00	
01/23/02		02/22/02	46342	810.00	
01/23/02		02/22/02	46343	810.00	
01/23/02		02/22/02	46344	810.00	
01/23/02		02/22/02	46345	1,620.00	
01/23/02		02/22/02	46346	1,620.00	
TOTAL AMOUNT DUE ==>				38,164.25	

PAYMENT NOW PAST DUE , PLEASE REMIT PROMPTLY

Statement continued on next page...

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S T A T E M E N T
As of: January 28, 2002

Inv Date	PO#/Description	Due Date	Invoice Number	Balance	Credit
<u>FLORA FORTE/AMELLICO</u>					

PAYMENT NOW PAST DUE , PLEASE REMIT PROMPTLY

1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Over 150 Days
27,017.10	4,893.60	6,253.55	0.00	0.00	0.00

Address Questions To: ACCOUNTS RECEIVABLE AT 800 666-3928



INSURANCE IN TOUCH WITH BUSINESS

PO Box 905 Monmouth Junction NJ 08852-0905

Denise Firelli

Claims Technician

Telephone 732-398-4514

Facsimile 732-398-5232

March 13, 2002

Kmart Corporation
C/o Trumbull Services
PO Box 426
Windsor, CT 06095

Re: Continental Casualty Co. As Agent for:
Account Funding, Inc./Flora Forte
Vs: Kmart Corporation
Case #02- B 02474
Our file #008965873

Dear Clerk:

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.

Sincerely yours,

Denise Firelli

Enc.