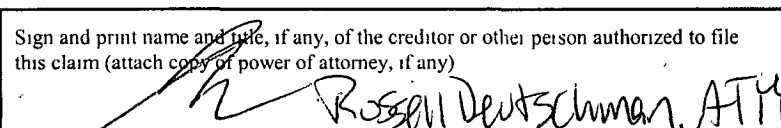


**If you desire a returned file stamped copy, you must submit an Original and 2 copies with a pre-addressed, postage paid envelope.**

B10 (Official Form 10) (4/01)

<b>United States Bankruptcy Court</b> NORTHERN District of ILLINOIS		<b>PROOF OF CLAIM</b>	Proceedings in Chapter <u>11</u>
Name of Debtor <b>K-MART CORPORATION</b>		Case Number <b>02-02474</b>	
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) <b>BETTY HUFF</b>		<input type="checkbox"/> 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. <input checked="" type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name and address where notices should be sent <b>KENNETH S. NUGENT, P.C. / R. DEUTSCHMAN, ESQ.</b> <b>1355 PEACHTREE ST. / SUITE 1000</b> <b>ATLANTA, GEORGIA 30309</b> Telephone number: <b>404-253-5817</b>		Check here if this claim <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated _____	
Account or other number by which creditor identifies debtor <b>715734</b>			
<b>1. Basis for Claim</b> <input type="checkbox"/> Goods sold <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Services performed <input type="checkbox"/> Wages, salaries, and compensation (fill out below) <input type="checkbox"/> Money loaned Your social security number _____ <input checked="" type="checkbox"/> Personal injury/wrongful death Unpaid compensation for services performed from _____ to _____ (date) (date) <input type="checkbox"/> Taxes <input type="checkbox"/> Other _____			
<b>2. Date debt was incurred:</b> <u>1-17-99</u>		<b>3. If court judgment, date obtained:</b>	
<b>4. Total Amount of Claim at Time Case Filed:</b> \$ <u>6750.00</u> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.			
<b>5. Secured Claim</b> <input checked="" type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other <u>SETTLEMENT BEFORE BANKRUPTCY</u> Value of Collateral \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____		<b>6. Unsecured Priority Claim</b> <input type="checkbox"/> Check this box if you have an unsecured priority claim. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,650)* earned within 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) <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(_____)	
<b>7. Credits:</b> The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		THIS SPACE IS FOR COURT USE ONLY  <b>Submit Original and 1 Copy with attachments to:</b>  <b>U.S. BANKRUPTCY COURT</b> <b>P.O. BOX 1150</b> <b>BENTON, IL 62812-1150</b>  <i>KP 922</i> <i>3/26/02</i>	
<b>8. Supporting Documents:</b> Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. <b>9. Date-Stamped Copy:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.			
Date <u>3-6-02</u>	Sign and print name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)  <b>Russell Deuschman, ATTY</b>		
<b>Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.</b>			

**FILED**  
 UNITED STATES BANKRUPTCY COURT  
 NORTHERN DISTRICT OF ILLINOIS  
 MAR 26 2002  
 KENNETH S. GARDNER  
 MAILROOM - MM  
 THIS SPACE IS FOR COURT USE ONLY

STATE OF GEORGIA

COUNTY OF \_\_\_\_\_

**RELEASE AND SETTLEMENT AGREEMENT  
AND EXTINGUISHMENT OF ALL CLAIMS**

In consideration of the payment of Six Thousand Seven Hundred Fifty and no/100 Dollars (\$6,750.00) to Betty Huff, hereinafter referred to as the "Payee", being paid by Kmart Corporation, hereinafter referred to as the "Released Party," Payee does hereby release and forever discharge the said Released Party, and does further release any officers, directors, servants, agents, employees, insurers, attorneys or representatives of any Released Party, of and from any and all past, present, or future claims, demands, obligations, actions, causes of action, rights, damages, and costs which Betty Huff now has or may in the future have against any of them, including without limitation any and all claims for the payment of medical expenses or other benefits payable under any insurance policy, and further including any and all claims which the Payee might have had as a result of that certain incident on or about January 17, 1999, at Kmart Store Number 3166 located in Austell, Cobb County, Georgia. By way of explanation and not limitation, the claims which are released and discharged by this document include, but are not limited to, all claims which the Payee asserted or could have asserted in the civil action for damages filed in the State Court of Cobb County, Georgia bearing Civil Action File Number 2000A-3850-5, styled as "Betty Huff, Plaintiff, v. Kmart Corporation, Defendant."

It is further understood and agreed that no party or parties hereby released admit any liability to the Payee or any others, and that the payment described herein is not to be construed as an admission of liability on the part of any party hereto, for it is recognized, acknowledged and expressly agreed that the payment made hereunder is made by the parties to buy their peace, and such payment is in compromise and settlement of a disputed claim which is not admitted, but is denied. This release is given by the undersigned voluntarily and is not based on representations or

statements of any kind made by any other party, or parties, or its or their representatives or attorneys, as to the merits, legal liability or value of any claim made or alleged by the undersigned.

It is further understood and agreed that this release is intended to cover all actions, causes of action, claims, and demands for, upon or by reason of, any damage, loss or injury, whether known or unknown, direct or indirect, which may now appear or may appear at any time in the future, no matter how remotely related to the claim released herein. This release is executed with full knowledge and understanding that there may be more serious consequences, damages, or injuries, or separate or distinct consequences, damages, or injuries as a result of the occurrence aforementioned, which are not now known, and that more serious injuries or separate and distinct injuries, possibly including death, may result from the injuries sustained in the occurrence aforementioned, and any check issued to the undersigned in consideration of this release is accepted as final payment of the consideration set out hereinabove.

The undersigned, as a further inducement to the payment of the above mentioned consideration, represents and warrants that all medical, hospital, nurses, ambulance, and related bills or charges incurred as a result of the injuries sustained by Betty Huff in the occurrence referred to herein have been paid and she does hereby agree to indemnify and hold forever harmless Released Party, its heirs, successors, representatives and assigns, of and from any and all further claims, demands, or expenses arising therefrom which may hereafter be asserted in any way by any other person, firm, or corporation, including any workers compensation liens, arising out of or in any way connected with the occurrence referred to herein and the injuries received by Payee.

This release contains the entire agreement between the parties hereto, and the terms of this release are contractual and not a mere recital.

Payee represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations or cause of action referred to in this settlement agreement; that she has the sole right and exclusive authority to execute this settlement agreement and receive the

benefits specified herein; and that she has not sold, assigned, transferred, conveyed, or otherwise disposed of any of the claims, demands, obligations, or causes of action referred to in this settlement agreement.

I further state that I have carefully read the foregoing release and know the contents thereof, and I sign the same of my own free act.

In Witness Whereof, I have hereunto set my hand and seal this 11<sup>th</sup> day of January, 2002.

Betty Huff  
BETTY HUFF

Signed, sealed, and delivered in the presence of:

Sanjay Hava  
Witness

Sharon Boyd  
Notary Public

MY COMMISSION EXPIRES JAN 25, 2005

Approved:

Russell T. Deutschman  
Russell T. Deutschman  
Attorney for Betty Huff

KENNETH S. NUGENT, P.C.  
1355 PEACHTREE STREET, N.E.  
THE PEACHTREE, SUITE 1000  
ATLANTA, GEORGIA 30309  
(404) 885-1983

CONTRACT OF ATTORNEY AND CLIENT

I, BETTY HUFF, the-undersigned, hereby retain  
KENNETH S. NUGENT, P.C. as my attorneys to represent me in a claim  
arising out of my personal injuries, which were sustained on  
1-17-99.

I, authorize KENNETH S. NUGENT, P.C. to effect full settlement  
by compromise without filing suit, or to file suit and prosecute to  
final judgment, as they deem best.

In consideration of the advice, counsel and professional  
services of KENNETH S. NUGENT, P.C., in connection with said claim,  
I agree to pay an amount equal to 40 percent of whatever amount may  
be recovered or collected by them on said personal injury claim.  
Further, I agree that if a judgment is obtained, the law firm shall  
be entitled to 40% of said judgment plus it's expenses. I  
authorize my attorney to pay all outstanding medical bills and  
other related expenses out of my portion of the settlement or  
judgment. I authorize my attorney to deduct \$100.00 out of my  
settlement to cover postage, copying and phone charges.

I understand that Kenneth S. Nugent, P.C. can withdraw as my  
counsel at any time. Said withdrawal by Kenneth S. Nugent, P.C.  
shall be in writing and will be sent via certified mail to the  
clients address listed on the informational sheet filled out by the  
client at the time of this contract, or at an address provided in  
writing to the attorney sent subsequent to the signing of the  
contract. If Kenneth S. Nugent, P.C. withdraws from representation  
of the client, based on the firm's initiation, the client is not  
responsible for any attorney's fees.

If the client chooses to terminate the attorney's  
representation in this claim, the client must notify the attorney  
of this in writing. If, at the time of termination, the attorney  
has not received an offer of settlement on the case, the attorney  
shall be entitled to be paid an hourly fee of \$150.00 per hour and  
his costs in the claim. If, at the time of termination, the  
attorney has received an offer, or trial judgment, the attorney  
shall be entitled to his full percentage of the offer or judgment,  
and his costs. The attorney will send this bill to the client, his  
new attorney and the insurance company owing the judgment or  
extending the offer, along with a lien filed in the appropriate  
court. At the time of final settlement, Kenneth S. Nugent, P.C.  
will be paid this bill in full out of this settlement. If the  
client his new attorney or the insurance company fails to pay this  
amount. Kenneth S. Nugent, P.C. is entitled to file suit against

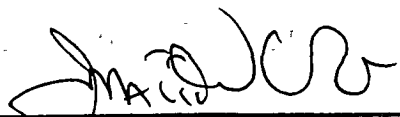
CONTRACT OF ATTORNEY CLIENT  
-PAGE 2-

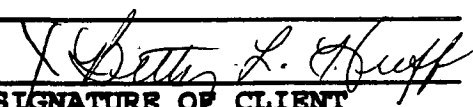
the client for the amount claimed, plus attorneys fees and costs related to the new cause of action.

I hereby appoint, name and constitute Kenneth S. Nugent, P.C., as my attorneys in fact, with full authority to execute and endorse all releases, drafts, checks and receipts in my name, which are necessary to effect a settlement of my claim. -

I understand that my attorneys are not permitted to loan or advance any funds on my settlement.

Executed under my hand and seal this the 11  
day of OCT, 1999.

  
\_\_\_\_\_  
WITNESS FOR  
KENNETH S. NUGENT, P.C.

\_\_\_\_\_  
\_\_\_\_\_  
  
\_\_\_\_\_  
SIGNATURE OF CLIENT