

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

**PROOF OF CLAIM
Chapter 11**

In Re: Kmart Corporation, et al.

**Case Numbers 02-02462 through
02-02499**

Name of Debtor: (see attached for complete list of debtors)

Case Number:

Your claim is scheduled as follows:

Class
NOT SCHEDULED

Amount
NOT SCHEDULED

This form should not be used to make a claim for an administrative expense arising after the commencement of the bankruptcy case. For information on what expenses may be filed, see 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

08 2344517

CLAYSON KNITTING COMPANY, INC.
734 SOUTH MAIN STREET
STAR, NC 27356

- 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.

10675807

If address differs from above, please complete the following:

Creditor Name:

Address:

City/ST/Zip:

Telephone: #

This Space is for Court Use Only

Account or other number by which creditor identifies debtor: 2459 and 2244

Check here if replaces amends a previously filed claim, dated _____

- 1. Basis for Claim**
- Goods sold
 - Services performed
 - Money loaned
 - Personal injury/wrongful death
 - Taxes
 - Other

- Retiree benefits as defined in 11 U.S.C. § 1114(a)
- Wages, salaries, and compensation (fill out below)
Your SS #: _____
Unpaid compensation for services performed from _____ to _____ (date) (date)

2. Date debt was incurred: 1/31/01 — 1/17/02

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: \$3,574,823.03

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

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.

5. Secured Claim.

Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

Real Estate Motor Vehicle

Other _____

Value of Collateral: \$ _____

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

- 6. Unsecured Priority Claim.**
- Check this box if you have an unsecured priority claim.
- Amount entitled to priority \$ _____
- Specify the priority of the claim:
- 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).
 - Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
 - 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).
 - Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
 - Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
 - Other - Specify applicable paragraph of 11 U.S.C. § 507(a)().

- 7. Credits:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
- 8. Supporting Documents:** 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.
- 9. Date-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.

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**RECEIVED
TRUMBULL SERVICES
COMPANY**

APR 18 2002
4-18-02 CB
BANKRUPTCY

Date
4.15.02

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):

Jane S. Maxwell, CFO.

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.

CLAYSON KNITTING CO., INC.

BUSINESS SOFTWARE, INC.
ACCOUNTS RECEIVABLE DETAIL AGE ANALYSIS
1/25/02

CUST-NO CUSTOMER-NAME
INV-NO DATE CD REFERENCE

CITY-STATE
INV-BAL DAYS CURRENT LST-PMT-DT LST-PMT-AMT SALES-YTD TERMS BALANCE

CUST-NO	CUSTOMER-NAME	INV-NO	DATE	CD	REFERENCE	CITY-STATE	INV-BAL	DAYS	CURRENT	LST-PMT-DT	LST-PMT-AMT	SALES-YTD	TERMS	BALANCE
110101	KMART RESOURCE CENTER													
172802	10/23/01	1	154767				74.67	94			74.67			6271.42
172803	10/23/01	1	154767				156.19	94			156.19			6427.61
174203	10/26/01	1	154767				207.48	91			207.48			6635.09
174204	10/26/01	1	154767				140.40	91			140.40			6775.49
174305	10/26/01	1	154767				140.40	91			140.40			6915.89
175035	11/01/01	1	154926				483.60	85			483.60			7399.49
176317	11/12/01	1	154927				295.00	74						7694.49
180630	12/04/01	1	154769				1779.12	52			1779.12			9473.61
180631	12/04/01	1	154920				162.24	52			177.22			9650.83
	1/10/02	11	UPS				14.98	52						
180632	12/04/01	1	154927				2360.00	52			2534.95			12185.78
	1/10/02	11	UPS				174.95	8			332.64			12518.42
190122	1/17/02	1	154770				332.64	8			107.12			12625.54
190123	1/17/02	1	154922				107.12	8			107.12			12732.66
190124	1/17/02	1	154922				332.64	8			332.64			13065.30
190125	1/17/02	1	154770				977.20	8			977.20			14042.50
190126	1/17/02	1	154929				993.00	8			993.00			15035.50
190127	1/17/02	1	154929				15035.50	59			2366.52			15035.50

2 * * * * T O T A L S * * * * 3567387.03 5072.69 408014.76 2961787.94 19946.38 11278.60 161286.66 3567387.03

INV. 917115 NSF CK 102542
1436.00
3,514,822.03

CUST-NO	CUSTOMER-NAME	CD	REFERENCE	CITY-STATE	INVS-BAL	DAYS	CURRENT	12/29/01	12/01/01	11/03/01	SALES-YTD	TERMS	BALANCE
110100	K MART APPAREL CORPORATION			TROY, MI				1/17/02	7436.00	35468275.81	NET 30 DAYS		
DEPT 126													
252	12/17/01	16	159086		894.03	39					149.00	894.03	
274	9/06/01	16	144314		149.00	141					349.00	1043.03	
275	9/06/01	16	144314		349.00	141					500.00	1392.03	
276	9/06/01	16	144314		500.00	141						1892.03	
379	1/10/02	11	161866		485.93	15							
	1/10/02	11	KEYING ERROR		80.00								
	1/10/02	11	KEYING ERROR		160.00								
393	10/22/01	16	149949		2977.59	95					1980.25	2297.96	
440	9/06/01	16	144314		1980.25	141						5275.55	
645	11/16/01	16	159086		10.08	70						7255.80	
680	12/17/01	16	148280		4228.58	39						7265.88	
	12/17/01	11	KEYING ERROR		10								
743	10/10/01	16	148280		3147.56	107						11494.56	
765	11/16/01	16	VOCHR REC LATE		25.92	70						14642.12	
766	9/19/01	16	145891		623.14	128						14668.04	
767	11/16/01	16	VOCHR REC LATE		12.96	70						15291.18	
768	11/16/01	16	VOCHR REC LATE		1.44	70						15304.14	
823	1/10/02	16	161866		550.65	15						15305.58	
824	8/27/01	16	142990		433.44	151						15856.23	
826	9/06/01	16	144314		518.95	141						16289.67	
856	12/28/01	16	160439		560.32	28						16808.62	
879	1/02/02	16	160696		653.83	23						16289.67	
883	11/09/01	16	153326		715.42	80						18172.77	
1105	11/06/01	16	152505		74.64	70						18888.19	
1123	11/16/01	16	VOCHR REC LATE		43.20	70						18962.83	
1124	11/16/01	16	VOCHR REC LATE		22.88	70						19006.03	
1645	10/01/01	16	146727		277.29	116						19028.91	
2417	1/08/02	16	161618		1381.05	17						19306.20	
2670	12/04/01	16	157409		2559.30	52						20687.25	
	12/04/01	13	KEYING ERROR		1.00								
5150	11/16/01	16	VOCHR REC LATE		24.30	70						23247.55	
5241	11/16/01	16	VOCHR REC LATE		15.00	70						23271.85	
5253	11/09/01	16	153326		387.30	77						23286.85	
5682	12/12/01	16	157703		1589.12	44						23674.15	
5683	12/12/01	16	157703		719.72	44						25263.27	
5801	8/14/01	16	141284		265.55	164						25982.99	
5802	8/14/01	16	141284		91.64	164						26248.55	
5803	8/14/01	16	141284		36.63	164						26340.19	
5804	8/14/01	16	141284		28.74	164						26376.82	
5805	8/14/01	16	141284		26.55	164						26405.56	
5806	8/14/01	16	141284		17.29	164						26432.11	
5939	10/01/01	16	146727		1308.29	116						26449.40	
6023	10/01/01	16	146727		1914.81	116						27557.69	
6225	11/09/01	16	153326		4183.68	77						29672.50	
6405	11/16/01	16	VOCHR REC LATE		4.32	70						33856.18	
6845	11/16/01	16	VOCHR REC LATE		9.36	70						33860.50	
7566	11/16/01	16	VOCHR REC LATE		24.00	70						33869.86	

CUST-NO	CUSTOMER-NAME	CITY-STATE	INVT-BAL	DAYS	CURRENT	LST-PMT-DT	LST-PMT-AMT	SALES-YTD	TERMS	BALANCE
110100	K MART APPAREL CORPORATION	CONTINOES								
8109	11/16/01	16	VOCHR REC LATE	421.20	70			34315.06		34315.06
8172	10/15/01	16	148944	1701.45	102			36016.51		36016.51
8333	11/16/01	16	VOCHR REC LATE	84.84	70			36101.35		36101.35
8911	11/16/01	16	VOCHR REC LATE	93.86	70			36195.01		36195.01
8998	11/16/01	16	VOCHR REC LATE	27.00	70			36222.01		36222.01
9088	10/01/01	16	146926	1255.46	116			37477.47		37477.47
9836	9/12/01	16	145192	190.04	135			37667.51		37667.51
9850	11/16/01	16	VOCHR REC LATE	892.74	70			38560.25		38560.25
9891	9/04/01	16	143971	3.90	143			38564.15		38564.15
9892	9/04/01	16	143971	49.08	143			38613.23		38613.23
9893	9/04/01	16	143971	95.97	143			38709.20		38709.20
9894	9/04/01	16	143971	103.92	143			38813.12		38813.12
9895	9/04/01	16	143971	159.44	143			38972.56		38972.56
9896	9/04/01	16	143971	258.79	143			39231.35		39231.35
9897	9/04/01	16	143971	959.74	143			40191.09		40191.09
10766	11/16/01	16	VOCHR REC LATE	18.00	95			40209.09		40209.09
20910	10/22/01	16	149949	719.58	95			40928.67		40928.67
30766	11/16/01	16	VOCHR REC LATE	7.92	70			40936.59		40936.59
150169	10/22/01	16	150169	2998.30	95			43934.89		43934.89
916842	11/31/01	1	042459752	213475.32	359					
	3/09/01	11	117963	152623.96-						
	3/14/01	11	118697	60656.48-						
	3/26/01	1	042459708	119371.64	305			194.88		44129.77
916915	5/07/01	11	126445	100381.25-						
	5/09/01	11	126644	18276.42-						
	5/14/01	11	126968	285.20-						
	5/15/01	11	127601	54.20-						
	5/15/01	11	127375	154.80-						
	5/23/01	11	126681	79.20-						
	5/23/01	11	126681	31.20						
	10/15/01	11	148944	171.77-						
	10/16/01	13	0-PAY	173.68-						
	12/17/01	11	4 STATEMENT	173.68						
	12/17/01	13	PUT BACK	173.68-						
	1/10/02	13	OFFSET	76.77						
917051	6/06/01	1	042459780	31567.66	233			90.40		44032.84
	7/18/01	11	137257	31477.26-						
917054	6/08/01	1	154393	107083.90	231			90.40		44123.26
	7/31/01	11	138754	85394.37-						
917055	12/11/01	11	158937	13954.23-				7735.30		51858.56
	6/08/01	1	154393	69535.00	231					
	7/31/01	11	138754	65088.87-						
917060	6/11/01	1	042459794	264328.00	228			4446.13		56304.69
	7/25/01	11	137569	32056.80-						
	7/25/01	11	138050	32056.80-						
	7/25/01	11	137928	191778.40-						
	7/25/01	11	138244	7872.40-						
917064	6/12/01	1	042459789	79628.92	227			562.40		56867.09
	7/25/01	11	138244	53135.84-						

CUST-NO	INV-NO	CUSTOMER-NAME	DATE	CD	REFERENCE	CITY-STATE	INV-BAL	DAYS	CURRENT	12/29/01	12/01/01	11/03/01	SALES-YTD	TERMS	BALANCE
110100	K	MART APPAREL CORPORATION				CONTINUES ...									
			8/13/01	11	140987	78674.56-									
			8/14/01	11	141284	29291.80-									
			7/09/01	1	042459812	97241.68	200								
917130			8/22/01	11	142377	13044.62-									
			8/27/01	11	142990	29306.80-									
			8/27/01	11	142655	54678.14-									
			8/27/01	11	KEYING ERROR	10.00-									
			8/28/01	11	143307	138.08-									
917132			10/05/01	11	147647	30.00-									
			7/09/01	11	042459814	95674.02	200								
			8/27/01	11	143097	315.00-									
			8/27/01	11	142990	95303.64-									
			8/27/01	11	KEYING ERROR	02									
917135			7/09/01	11	143307	33.00-									
			8/28/01	11	042459817	96263.90	200								
			8/22/01	11	142377	95745.56-									
			8/27/01	11	142990	193.64-									
			8/27/01	11	142655	219.60-									
917136			7/09/01	11	042459818	2699.88	200								
			8/21/01	11	142178	2655.18-									
			8/27/01	11	142655	22.40-									
917146			7/23/01	11	042459827	60309.32	186								
			9/12/01	11	144994	137.28-									
			9/12/01	11	144870	59627.98-									
			9/12/01	11	145192	24.24-									
			9/19/01	11	145555	23.00-									
			9/19/01	11	146006	34.32-									
			10/01/01	11	146727	169.64-									
			10/22/01	11	149949	258.54-									
917147			7/23/01	11	042459828	102369.22	186								
			9/06/01	11	144314	57677.60-									
			9/06/01	11	144090	44502.98-									
917155			7/30/01	11	042459830	135.20-									
			9/11/01	11	144653	102631.94	179								
			9/19/01	11	145555	101386.28-									
			9/19/01	11	146006	384.16-									
			9/19/01	11	917155	620.70-									
917159			7/30/01	11	042459834	205.48-									
			9/11/01	11	144653	86809.46	179								
			9/12/01	11	144994	86310.60-									
			9/12/01	11	144870	349.26-									
			9/19/01	11	145555	34.32-									
917167			8/03/01	11	155249	92.83-									
			9/24/01	11	155249	23082.64	175								
917171			8/03/01	11	155250	21888.72-									
			9/24/01	11	146108	79778.40	175								
917172			8/03/01	11	155254	79747.26-									
			9/24/01	11	146108	44956.80	175								
			9/24/01	11	146108	44934.50-									

CUST-NO	CUSTOMER-NAME	INVT-NO	DATE	CD	REFERENCE	CITY-STATE	INV-BAL	DAYS	CURRENT	LST-PMT-DT	LST-PMT-AMT	SALES-YTD	TERMS	BALANCE
110100	K MART APPAREL CORPORATION													
			11/27/01	11	155856		337.96-							
			10/08/01	1	042459885		110623.72	109						8.64
917313			11/27/01	11	156047		3174.52-							
			11/27/01	11	155856		67174.74-							
			12/10/01	11	157084		40073.60-							
			12/10/01	11	157921		34.56-							
			12/12/01	11	157703		131.98-							
917319			10/22/01	1	042459888		126510.50							34.32
			12/12/01	11	158704		82100.42-							
			12/12/01	11	158168		2178.00-							
			12/13/01	11	158446		41848.12-							
			12/17/01	11	159086		317.96-							
917322			10/22/01	1	042459891		120691.66							66.00
			12/10/01	11	157921		11033.86-							
			12/12/01	11	158704		127.60-							
			12/12/01	11	158168		95126.28-							
			12/19/01	11	159273		13908.30-							
			12/27/01	11	160198		403.12-							
			12/28/01	11	160439		59.52-							
917324			10/22/01	1	042459893		121331.04							33.00
			12/10/01	11	157921		20018.94-							
			12/12/01	11	157703		77510.66-							
			12/13/01	11	158446		23702.44-							
917325			10/22/01	1	042459894		61250.00							99.00
			12/10/01	11	157921		21057.88-							
			12/12/01	11	157703		8658.40-							
			12/13/01	11	158446		29122.00-							
			12/19/01	11	159524		2176.28-							
917328			10/22/01	1	042459897		82664.54							235.44
			12/12/01	11	158168		26666.72-							
			12/13/01	11	158446		55972.82-							
			11/02/01	1	042459898		127434.70							25.00
917329			11/02/01	1	159880		31267.74-							
			12/19/01	11	160026		76161.18-							
			12/27/01	11	160198		5982.74-							
			12/28/01	11	160439		13996.04-							
917333			11/02/01	1	042459902		72737.52							27.00
			12/19/01	11	159880		9020.24-							
			12/19/01	11	159524		37472.36-							
			12/27/01	11	160026		26056.20-							
917334			11/02/01	1	042459903		68311.80							186.72
			12/19/01	11	159880		21566.30-							
			12/27/01	11	160026		34336.00-							
			12/28/01	11	160439		12351.30-							
917335			11/02/01	1	042459905		124028.36							58.20
			12/19/01	11	159880		65460.96-							
			12/19/01	11	159524		55714.96-							
			12/27/01	11	160026		832.06-							
			12/27/01	11	160198		1064.60-							

CUST-NO	CUSTOMER-NAME	CD	REFERENCE	CITY-STATE	INVT-BAL	DAYS	CURRENT	LST-PMT-DT	LST-PMT-AMT	SALES-YTD	TERMS	BALANCE	
110100	K MART APPAREL CORPORATION												
917396	11/23/01	1	042459953		110834.86	63		110834.86		1720227.97			
917397	11/23/01	1	042459954		125694.38	63		125694.38		1845922.35			
917398	11/23/01	1	042459955		19355.32	63		19355.32		1865277.67			
917399	11/23/01	1	042459956		124388.16	63		124388.16		1989665.83			
917400	11/23/01	1	042459957		120167.06	63		120167.06		2109832.89			
917401	11/23/01	1	042459958		131809.70	63		131809.70		2241642.59			
917402	11/23/01	1	042459959		128794.96	63		128794.96		2370437.55			
917403	11/30/01	1	042459960		127265.62	56		127265.62		2497703.17			
917404	11/30/01	1	042459961		70570.96	56		70570.96		2568274.13			
917405	11/30/01	1	042459962		121119.02	56		121119.02		2689393.15			
917406	11/30/01	1	042459963		9656.86	56		9656.86		2699050.01			
917407	11/30/01	1	042459964		119211.80	56		119211.80		2818261.81			
917408	11/30/01	1	042459965		106679.72	56		106679.72		2924941.53			
917409	11/30/01	1	042459966		127030.56	56		127030.56		3051972.09			
917410	11/30/01	1	042459967		107408.14	56		107408.14		3159380.23			
917411	12/07/01	1	042459968		45660.16	49		45660.16		3205040.39			
917412	12/07/01	1	042459969		34462.82	49		34462.82		3239503.21			
917413	12/07/01	1	042459970		42034.38	49		42034.38		3281537.59			
917414	12/07/01	1	042459971		50144.50	49		50144.50		3331682.09			
917415	12/14/01	1	042459972		62265.76	42		62265.76		3393947.85			
917416	12/14/01	1	042459973		41259.14	42		41259.14		3435206.99			
917417	12/14/01	1	042459974		48791.30	42		48791.30		3483998.29			
917418	12/14/01	1	042459975		68353.24	42		68353.24		3552351.53			
110100	K MART APPAREL CORPORATION				3552351.53	87	2706.17	403523.47	2961492.94	18227.41	6233.60	160167.94	3552351.53

110101	KMART RESOURCE CENTER				3100 WEST BIG BEAVER RD.							
	SOFTLINES DRDRSHIP				TROY, MI			1/10/02		84275.00	NET 30 DAYS	
150732	6/14/01	1	153208		1118.72	225						1118.72
158473	7/18/01	1	154922		249.60	191						1118.72
	10/01/01	11	146727		249.60-							1118.72
	10/29/01	13	PAID TWICE									
	12/17/01	11	4 STATEMENT									
	12/17/01	13	PUT BACK		249.60-							
159599	7/31/01	1	154920		114.40	178						869.12
	10/01/01	11	146727		114.40-							
	10/29/01	13	PAID TWICE									
	12/17/01	11	4 STATEMENT		114.40-							
	12/17/01	13	PUT BACK		114.40-							
159600	7/31/01	1	154924		119.20	178						754.72
	10/01/01	11	146727		119.20-							
	10/29/01	13	PAID TWICE									
	12/17/01	11	4 STATEMENT		119.20-							
	12/17/01	13	PUT BACK		119.20-							
166841	9/19/01	13	PUT BACK		119.20-							
166843	9/19/01	1	154918		883.00	128				883.00		635.52
172800	10/23/01	1	154925		4162.00	128				4162.00		1518.52
	12/03/01	11	154926		683.96	94						5680.52
	12/03/01	11	PD BY UPS		147.99-							
	12/03/01	11	KEYING ERROR		77.00-							
172801	10/23/01	1	154919		57.26	94				458.97		6139.49
										57.26		6196.75



EULER American Credit Indemnity
 100 East Pratt Street
 Baltimore, Maryland 21202-1008

ELAYSON KNITTING COMPANY INC
 2000 OLD HWY 220 SOUTH
 TOWSON, NORTH CAROLINA 27356
 ATTN: JANE L. MAXWELL

Monthly Claim Statement
 Policy #: 3657931
 Statement Date: 03/31/2002

Estimated Payments

Adjustment Type	Examiner	Payment Amount in US\$	Due Date
AI	Linda Clash (410) 554-0751	1,299,290.77	05/20/2002
Totals:		1,299,290.77	

This account statement is based on information available on the date the account statement was prepared. While EULER A C I takes steps to ensure the accuracy of this account statement, the information contained above is for informational purposes only and EULER A C I is not bound by the contents of this statement. Information regarding coverage and loss payments are estimates only, subject to the adjustment process, which could materially change the information contained above. This statement does not alter the terms or conditions of any insurance policy in any way whatsoever.

Your current EACI contact person is Lisa Bond (410) 554-0747

Clayson Knitting Company, Inc. PO Box 39 Star, NC 27356
 Kmart Accounts Receivable
 Open Items as of 1/21/02

Inv. #	Doc. Date	Total Inv. \$	Balance Due	Order Rec Date	Allocation Order No.
	Various		\$43,934.89	"Deductions taken w/o supporting documentation"	
916842	01/31/01	\$213,475.32	\$194.88	01/30/01	
916915	03/26/01	\$119,371.64	(\$96.91)		
917051	06/06/01	\$31,567.66	\$90.40	06/10/01	
917054	06/08/01	\$107,083.90	\$7,735.30	06/10/01	
917055	06/08/01	\$69,535.00	\$4,446.13	06/10/01	
917060	06/11/01	\$264,328.00	\$562.40	06/10/01	
917064	06/12/01	\$79,626.92	\$127.00	06/11/01	
917067	06/12/01	\$78,935.36	\$57.80	06/11/01	
917070	06/12/01	\$78,955.18	\$25.00	06/11/01	
917073	06/13/01	\$66,019.20	\$16,099.20	05/29/01	154400
917089	06/15/01	\$74,046.00	\$16,542.96	05/10/01	154404
917092	06/20/01	\$15,687.96	\$37.52	06/18/01	
917094	06/20/01	\$25,306.52	\$38.88	06/18/01	
917095	06/25/01	\$3,120.00	\$3,120.00	06/24/01	
917100	06/26/01	\$51,143.94	\$51,143.94	06/25/01	
917102	06/26/01	\$49,268.82	\$49,268.82	06/25/01	
917111	06/27/01	\$83,626.40	\$57.20	05/10/01	154403
917115	06/27/01	\$54,634.00	\$9,102.80	06/21/01	154636 nsf ck
917116	06/27/01	\$39,235.00	\$1,197.00	06/21/01	154636
917117	06/27/01	\$73,809.00	\$2,309.00	06/21/01	154636
917118	06/27/01	\$72,570.00	\$2,156.80	06/21/01	154636
917123	06/29/01	\$161.00	\$161.00	06/25/01	
917124	06/29/01	\$161.20	\$161.20	06/25/01	
917125	07/02/01	\$101,189.40	\$83.80	07/02/01	
917126	07/02/01	\$68,847.46	\$30.00	07/02/01	
917127	07/02/01	\$108,110.16	\$143.80	07/02/01	
917130	07/09/01	\$97,241.68	\$34.04	07/08/01	
917132	07/09/01	\$95,674.02	\$22.40	07/08/01	
917135	07/09/01	\$96,263.90	\$105.10	07/08/01	
917136	07/09/01	\$2,699.88	\$22.30	07/08/01	
917146	07/23/01	\$60,309.32	\$34.32	07/22/01	
917147	07/23/01	\$102,369.22	\$52.44	07/22/01	
917155	07/30/01	\$102,631.94	\$34.32	07/29/01	
917159	07/30/01	\$86,809.46	\$22.40	07/29/01	
917167	08/03/01	\$22,082.64	\$193.92	07/26/01	155249
917171	08/03/01	\$79,778.40	\$31.20	07/24/01	155250
917172	08/03/01	\$44,956.80	\$22.30	07/24/01	155254
917186	08/03/01	\$77,644.80	\$57.60	07/09/01	155078
917188	08/06/01	\$109,090.00	\$18.40	08/05/01	
917195	08/06/01	\$58,535.96	\$15.00	08/05/01	
917201	08/14/01	\$100,569.96	\$34.32	08/12/01	
917249	08/16/01	\$5,475.84	\$238.08	08/06/01	155292
917250	08/16/01	\$2,856.96	\$714.24	08/06/01	155292
917259	08/17/01	\$15,877.20	\$24.24		155251
917268	08/17/01	\$85,176.00	\$31.20		155252
917270	08/17/01	\$28,797.60	\$31.20		155252
917282	08/22/01	\$36,770.16	\$72.24		155072
917293	09/04/01	\$30,603.94	\$54.00	09/02/01	

Kmart Accounts Receivable
Open Items as of 1/21/02

Inv. #	Doc. Date	Total Inv. \$	Balance Due	Order Rec Date	Allocation Order No.
917298	09/12/01	\$55,809.20	-\$188.38		
917299	09/17/01	\$56,544.86	\$215.38	09/16/01	
917302	09/17/01	\$26,964.04	\$23.00	09/16/01	
917307	10/05/01	\$64,049.90	\$8.64	09/30/01	
917313	10/08/01	\$110,623.72	\$34.32	10/02/01	
917319	10/22/01	\$126,510.50	\$66.00	10/21/01	
917322	10/22/01	\$120,691.66	\$33.00	10/21/01	
917324	10/22/01	\$121,331.04	\$99.00	10/21/01	
917325	10/22/01	\$61,250.00	\$235.44	10/21/01	
917328	10/22/01	\$82,664.54	\$25.00	10/21/01	
917329	11/02/01	\$127,434.70	\$27.00	10/28/01	
917333	11/02/01	\$72,737.52	\$186.72	10/28/01	
917334	11/02/01	\$68,311.80	\$58.20	10/28/01	
917336	11/02/01	\$124,028.36	\$372.28	10/28/01	
917337	11/02/01	\$123,925.10	\$103.10	10/28/01	
917338	11/02/01	\$75,259.06	\$27.00	10/28/01	
917341	11/02/01	\$122,758.16	\$93.28	10/28/01	
917342	11/02/01	\$101,140.16	\$146.90	10/28/01	
917346	11/02/01	\$125,690.86	\$207.80	10/28/01	
917347	11/02/01	\$112,825.22	\$18.40	10/28/01	
917348	11/02/01	\$90,597.52	\$133.08	10/28/01	
917349	11/02/01	\$78,016.08	\$51.92	10/28/01	
917351	11/08/01	\$136,559.28	\$66,599.28	10/23/01	156319
917352	11/08/01	\$81,201.12	\$3,123.12	10/23/01	156319
917353	11/08/01	\$130,965.12	\$5,202.12	10/23/01	156319
917354	11/08/01	\$131,754.48	\$5,067.48	10/23/01	156319
917362	11/09/01	\$120,629.44	\$36.00	11/04/01	
917363	11/09/01	\$121,280.76	\$22,326.08	11/04/01	
917364	11/09/01	\$18,634.80	\$15.00	11/04/01	
917365	11/09/01	\$119,547.50	\$55,418.86	11/04/01	
917366	11/09/01	\$118,990.10	\$42,096.00	11/04/01	
917368	11/09/01	\$125,167.88	\$68.40	11/04/01	
917369	11/09/01	\$124,090.66	\$12,246.96	11/04/01	
917371	11/16/01	\$19,152.00	\$19,152.00	10/30/01	156335
917373	11/16/01	\$33,376.00	\$26,208.00	10/30/01	156335
917374	11/16/01	\$36,400.00	\$36,400.00	10/30/01	156335
917375	11/16/01	\$128,031.58	\$27,590.94	11/11/01	
917376	11/16/01	\$128,904.82	\$14,511.10	11/11/01	
917377	11/16/01	\$131,004.50	\$32,292.80	11/11/01	
917378	11/16/01	\$134,593.82	\$55,889.34	11/11/01	
917379	11/16/01	\$39,999.18	\$24,973.50	11/11/01	
917380	11/16/01	\$124,117.40	\$44,521.80	11/11/01	
917381	11/16/01	\$127,128.14	\$43,547.48	11/11/01	
917382	11/16/01	\$131,270.84	\$78,795.88	11/11/01	
917383	11/16/01	\$63,863.64	\$21,903.90	11/11/01	
917384	11/16/01	\$121,733.50	\$52,808.56	11/11/01	
917385	11/16/01	\$124,354.18	\$68,664.28	11/11/01	
917386	11/16/01	\$127,942.60	\$91,810.52	11/11/01	
917387	11/16/01	\$128,375.82	\$65,517.52	11/11/01	
917388	11/16/01	\$128,567.88	\$57,864.84	11/11/01	
917389	11/16/01	\$15,520.48	\$7,114.20	11/11/01	

Kmart Accounts Receivable
 Open Items as of 1/21/02

Inv. #	Doc. Date	Total Inv. \$	Balance Due	Order Rec Date	Allocation Order No.
917390	11/16/01	\$129,765.72	\$58,167.00	11/11/01	
917391	11/16/01	\$129,003.24	\$98,208.22	11/11/01	
917392	11/16/01	\$132,069.26	\$106,269.74	11/11/01	
917393	11/16/01	\$132,349.38	\$29,265.84	11/11/01	
917394	11/16/01	\$23,923.76	\$405.60	11/11/01	
917395	11/23/01	\$130,173.60	\$130,173.60	11/18/01	
917396	11/23/01	\$110,834.86	\$110,834.86	11/18/01	
917397	11/23/01	\$125,694.38	\$125,694.38	11/18/01	
917398	11/23/01	\$19,355.32	\$19,355.32	11/18/01	
917399	11/23/01	\$124,388.16	\$124,388.16	11/18/01	
917400	11/23/01	\$120,167.06	\$120,167.06	11/18/01	
917401	11/23/01	\$131,809.70	\$131,809.70	11/18/01	
917402	11/23/01	\$128,794.96	\$128,794.96	11/18/01	
917403	11/30/01	\$127,265.62	\$127,265.62	11/25/01	
917404	11/30/01	\$70,570.96	\$70,570.96	11/25/01	
917405	11/30/01	\$121,119.02	\$121,119.02	11/25/01	
917406	11/30/01	\$9,656.86	\$9,656.86	11/25/01	
917407	11/30/01	\$119,211.80	\$119,211.80	11/25/01	
917408	11/30/01	\$106,679.72	\$106,679.72	11/25/01	
917409	11/30/01	\$127,030.56	\$127,030.56	11/25/01	
917410	11/30/01	\$107,408.14	\$107,408.14	11/25/01	
917411	12/07/01	\$45,660.16	\$45,660.16	12/02/01	
917412	12/07/01	\$34,462.82	\$34,462.82	12/02/01	
917413	12/07/01	\$42,034.38	\$42,034.38	12/02/01	
917414	12/07/01	\$50,144.50	\$50,144.50	12/02/01	
917415	12/14/01	\$62,265.76	\$62,265.76	12/19/01	
917416	12/14/01	\$41,259.14	\$41,259.14	12/19/01	
917417	12/14/01	\$48,791.30	\$48,791.30	12/19/01	
917418	12/14/01	\$68,353.24	\$68,353.24	12/19/01	
150732	06/14/01	\$1,118.72	\$1,118.72	05/26/01	153208
158473	07/18/01	\$249.60	(\$249.60)		
159599	07/31/01	\$114.40	(\$114.40)		
159600	07/31/01	\$119.20	(\$119.20)		
166841	09/19/01	\$883.00	\$883.00	09/17/01	154918
166843	09/19/01	\$4,162.00	\$4,162.00	09/17/01	154925
172800	10/23/01	\$683.96	\$458.97	10/18/01	154926
172801	10/23/01	\$57.26	\$57.26	10/18/01	154919
172802	10/23/01	\$74.67	\$74.67	10/18/01	154767
172803	10/23/01	\$156.19	\$156.19		
174203	10/26/01	\$207.48	\$207.48	10/24/01	154767
174204	10/26/01	\$140.40	\$140.40	10/24/01	154767
174205	10/26/01	\$140.40	\$140.40	10/24/01	154767
175035	11/01/01	\$483.60	\$483.60	10/30/01	154926
176317	11/12/01	\$295.00	\$295.00	11/09/01	154927
180630	12/04/01	\$1,779.12	\$1,779.12	11/29/01	154768
180631	12/04/01	\$177.22	\$177.22	11/28/01	154920
180632	12/04/01	\$2,534.95	\$2,534.95	11/28/01	154927
190122	01/17/02	\$332.64	\$332.64	01/11/02	
190123	01/17/02	\$107.12	\$107.12	01/11/02	
190124	01/17/02	\$107.12	\$107.12	01/11/02	

Kmart Accounts Receivable
Open Items as of 1/21/02

Inv. #	Doc. Date	Total Inv. \$	Balance Due	Order Rec Date	Allocation Order No.
190125	01/17/02	\$332.64	\$332.64	01/11/02	
190126	01/17/02	\$977.20	\$977.20	01/11/02	
190127	01/17/02	\$993.00	\$993.00	01/11/02	
		TOTAL BAL DUE:	\$3,574,823.03		

BANK OF AMERICA N.A.
RETURN ITEMS DEPT. GA4-004-02-24
P.O. BOX 105712
ATLANTA, GA 30348-5712

Page 1 of 1
Bank : 00172
Center : 0001131
Divider: 1 2718
Code : 5

H

Deposit Account: 375-159-3643
Charge Account : 375-159-3643
Store/Reference: 0000000000

EULER TEMPORARY CLAIM #
000304898

CLAYSON KNITTING COMPANY
ATTN: JANE MAXWELL
734 SOUTH MAIN STREET
STAR, NC 27356

Date of Notice: 01-24-2002

Dear Valued Customer:

The item(s) below, which were deposited to your account, have been returned unpaid. Therefore, we have charged them to your account. Fees for analyzed accounts are itemized on the account analysis statement.

If you have any questions or need additional information, please contact one of our Customer Service representatives at 1-800-657-9533. Thank you for choosing Bank of America.

Number of Returned Items: 1
Amount of Returned Item(s): 7,436.00

SEQUENCE/ DEP DATE	ABA NUMBER/ DEP AMOUNT	MAKER NAME/ CHECK DATE	RETURN REASON/ I.D.	AMOUNT
0030005125 01172002	0724-0478 9,083.00		INSUFFICIENT FUNDS	7,436.00



Kmart Corporation

061000052 74-478/724
CHECK NUMBER: 000162542

PAY : SEVEN THOUSAND FOUR HUNDRED THIRTY-SIX AND 00/100 DOLLARS

TO THE ORDER OF

CLAYSON KNITTING COMPANY
PO BOX 408083
ATLANTA GA 30384

PAID BY K
436304898 155 0552 01 01-18-02
Presented Twice

CHECK DATE
01/11/2002

CHECK AMOUNT
*****7,436.00

COMERICA BANK & TRUST, N.A.
ANN ARBOR, MI

VOID AFTER 6 MONTHS

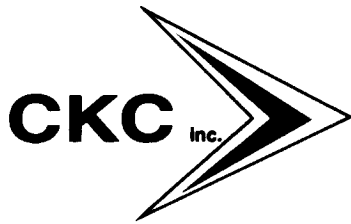
John T. Maxwell, Sr.
AUTHORIZED SIGNATURE SIGNATURE LINE CONTAINS K-MART LOGO

THIS DOCUMENT IS PRINTED IN BLUE INK AND CONTAINS SECURITY FEATURES ON BOTH SIDES. DO NOT ACCEPT UNLESS THESE SECURITY FEATURES ARE PRESENT.

⑈000162542⑈ ⑆072404786⑆ 2176965339⑈

⑈0000743600⑈

CKC inc.



Clayson Knitting Company, Inc.

P.O. BOX 39, 734 S. MAIN ST.
STAR, NORTH CAROLINA 27356
TELEPHONE (910) 428-2171 • FAX (910) 428-1133
E-mail: clayson@clayson.com

Family Hosiery Since '31

April 15, 2002

Kmart Corporation, et. al.
c/o Trumbull Services Company, LLC
P.O. Box 426
Windsor, Connecticut 06095

Re: Case Numbers 02-02462 through 02-02499

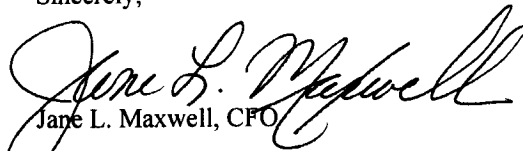
Dear Sir:

A portion of our Kmart receivables is insured with Euler American Credit Indemnity. They have not notified me that they have filed a proof of claim for these outstanding items, but it is certainly possible. I have attached a copy of their Monthly Claim Statement listing their address and the claim examiner's name and phone number.

Also we have received five other Proof of Claim forms from your office. They each list a different variation of our mailing address. I have attached copies of these forms and listed our total claim on the form with the correct street address for our administrative offices (734 South Main Street Star, NC 27356).

Enclosed is a detailed list of all open invoices and a related list from our A/R system that details all open balances to include non-supported charge-backs taken by Kmart. We also had one Kmart check for \$7,436 that our bank returned to us for insufficient funds that we have added to their outstanding balance. We can produce copies of all open invoices and related bill of lading, but it would be very cumbersome. If you require these copies, please notify me and we will ship a set to you.

Sincerely,


Jane L. Maxwell, CFO
Enclosures