

Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends UNIFORM PRACTICE ADVISORY (UPC # 007-2002) January 22, 2002

Kmart Corp 12.5% Debentures due March 1, 2005 (FIPS:KM.GA)
Kmart Corp 8.125% Notes due December 1, 2006 (FIPS:KM.GB)
Kmart Corp 8.25% Notes due January 1, 2022 (FIPS:KM.GC)
Kmart Corp. – 8.375% Notes due July 1, 2002 (FIPS:KM.GD)
Kmart Corp 7.75% Debentures due October 1, 2012 (FIPS:KM.GE)
Kmart Corp 7.95% Debentures due February 1, 2023 (FIPS:KM.GF)
Kmart Corp 6.0% Lease Certificates due January 1, 2008 (FIPS:KM.GG)
Kmart Corp 8.375% Notes due December 1, 2004 (FIPS:KM.GI)
Kmart Corp 9.375% Notes due February 1, 2006 (FIPS:KM.GJ)
Kmart Corp 9.875% Notes due June 15, 2008 (FIPS:KM.GK)
Kmart Corp 9.78% Pass Thru Certificates due January 5, 2020 (FIPS:KMCP.GA)
Kmart Corp 9.35% Pass Thru Certificates due January 2, 2020 (FIPS:KMCP.GB)
Kmart Corp 8.99% Pass Thru Certificates due July 5, 2010 (FIPS:KMCP.GC)
Kmart Corp 8.54% Pass Thru Certificates due January 2, 2015 (FIPS:KMCP.GD)
Kmart Corp 9.87% Pass Thru Certificates due November 1, 2009 (FIPS:KMCP.GE)
Kmart Corp 10.05% Pass Thru Certificates due November 1, 2019 (FIPS:KMCP.GF)
Kmart Corp 9.87% Pass Thru Certificates due November 1, 2009 (FIPS:KMCP.GG)
Kmart Corp 10.05% Pass Thru Certificates due November 1, 2014 (FIPS:KMCP.GH)
Kmart Corp 10.05% Pass Thru Certificates due November 1, 2019 (FIPS:KMCP.GI)

The above company has filed a petition under Chapter XI of the Federal Bankruptcy Code on January 22, 2002.

Members are advised that effective January 23, 2002, the above issues should be dealt in "flat".

Questions regarding this notice should be directed to: Market Data Integrity Department, (203) 375-9609.

Dorothy L. Kennedy Director