



**Attn: Trading and Market Making/Legal and Compliance/Operations/Systems**

**UNIFORM PRACTICE ADVISORY (UPC # 082-2003) May 6, 2003**

**WHEN, AS AND IF ISSUED SETTLEMENT DATES**

**ISSUE**

**SETTLEMENT DATE**

**Kmart Holding Corporation New (OTCBB:KMRTV)**  
- Common Stock

Wednesday, May 12, 2003

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**Kmart Corporation – Common Stock (OTC:KMRTQ)**

**Kmart Financing I – 7.75% Trust Conv. Preferred Securities (OTC:KMTPO)**

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Notice has been received that the above company's First Amended Joint Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code became effective on May 6, 2003. Pursuant to the Plan, holders of the above referenced securities may each be entitled to receive the right to participate (trust interests) in certain recoveries if any of the "Kmart Creditor Trust" (the trust).

**Holders of record of the common stock and trust preferred securities of record on May 6, 2003 will be entitled to receive the trust interests.** These trust interests will be un-certificated and non-transferable, with certain exceptions, and will represent the right to certain of the proceeds received by the trust from various claims, as defined in the Plan. Holders of these securities will not receive any other distributions under the plan.

Members are advised that deliveries in settlement of contracts in KMRTQ and KMTPO executed through May 6, 2003 may be accomplished through the book-entry facilities of the Depository Trust Corporation (DTC) through May 9, 2003; **or** may be settled by either a) the **existing KMRTQ or KMTPO** security; or b) a *Letter of Indemnity* which shall grant the purchaser any rights and privileges possibly accruing to the holders of the physical securities. Such deliveries shall operate to close-out the contract and shall be settled at the existing contract price pursuant to Uniform Practice Code Rule 11530.

Questions regarding this notice should be directed to: Market Integrity Department, 203.375.9609.

Dorothy L. Kennedy  
Director