

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:) Chapter 11
)
KMART CORPORATION, et al.) Case No. 02-B02474
) (Jointly Administered)
Debtors.)
) Hon. Susan Pierson Sonderby

**ORDER APPROVING FOURTH AND FINAL APPLICATION OF KPMG LLP
AS ACCOUNTANTS AND FINANCIAL ADVISORS TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM FEBRUARY 1, 2002 THROUGH MAY 6, 2003**

Upon consideration of the application (the "Application")¹ of KPMG LLP ("KPMG"), accountants and financial advisors to the Official Committee of Unsecured Creditors (the "Committee") of Kmart Corporation and certain of its subsidiaries and affiliates that are also debtors in the above-captioned jointly-administered case (collectively, the "Debtors"), for the entry of an order pursuant to 11 U.S.C. §§ 330 and 331 and Fed. R. Bankr. P. and 2016(a) for the allowance and payment of \$9,190,391 in final compensation for professional services rendered to the Committee and the reimbursement of \$713,554 for actual and necessary costs incurred for the period from February 1, 2002 through May 6, 2003 (the "Total Fee Period"); and upon consideration of the Fourth Report of the Kmart Corporation Joint Fee Review Committee Report Regarding Certain Final Fee Applications; due and proper notice of the Application having been provided; it appearing there is good cause to grant the relief requested; and there being no objection to the relief requested; it is hereby ORDERED as follows:

1. The Application is granted;

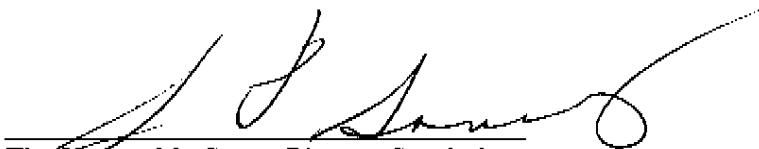
¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Application.

2. KPMG is granted final compensation for services rendered during the Total Fee Period as accountants and financial advisors the Committee in the amount of \$8,665,391;

3. KPMG is granted final reimbursement for the actual and necessary expenses incurred during the Total Fee Period in connection with the provision of services to the Committee in the amount of \$688,554; and

4. The Debtors and/or the Reorganized Debtors (as defined in the First Amended Joint Plan of Reorganization of Kmart Corporation and Its Affiliated Debtors and Debtors-In-Possession), as applicable, are hereby authorized and directed to pay KPMG the aggregate amount of \$299,645, which represents the balance due after credit for payments received previously by KPMG pursuant to the First, Second and Third Interim Applications.

Dated: 17 DEC 1986


The Honorable Susan Pierson Sonderby
United States Bankruptcy Judge