

September 6, 2005

To the Honorable
The Common Council of the
City of Milwaukee
Room 205 – City Hall

Re: Resolution authorizing and approving the settlement agreement between the City of Milwaukee (“City”) and Kmart Corporation for \$44,722.15 in exchange for the amount of \$31,305.51 as full settlement regarding personal property taxes, account numbers 8471-0009 and 8471-0040 for tax year 2001, pursuant to an Amended Order Disallowing and Expunging or Otherwise Reducing or Reclassifying Certain Claims Set Forth in the Nineteenth Omnibus entered on April 12, 2004, by the United States Bankruptcy Court, for the Northern District of Illinois, Case No. 02-02474, the Hon. Susan Pierson Sonderby, presiding.

Dear Council Members:

Enclosed for your consideration is a Resolution authorizing and approving the settlement agreement between the City of Milwaukee (“City”) and Kmart Corporation for \$44,722.15 in exchange for the lesser amount of \$31,305.51 as full settlement regarding personal property taxes, account numbers 8471-0009 and 8471-0040 for tax year 2001, pursuant to an Amended Order Disallowing and Expunging or Otherwise Reducing or Reclassifying Certain Claims Set Forth in the Nineteenth Omnibus entered on April 12, 2004, by the United States Bankruptcy Court, for the Northern District of Illinois, Case No. 02-02474, the Hon. Susan Pierson Sonderby, presiding.

Kmart filed a voluntary petition in the United States Bankruptcy Court for the Northern District of Illinois (Eastern Division) for reorganization relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101. The City of Milwaukee filed Proof of Claim in the Kmart’s chapter 11 cases for tax year 2001 in the amount of \$44,722.15. On April 12, 2004, the Hon. Susan Pierson Sonderby signed an Amended Order Disallowing and Expunging or Otherwise

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Reducing or Reclassifying Certain Claims Set Forth in the Nineteenth Omnibus, reducing the claim amount to \$31,305.51.

Also enclosed is a copy of the Amended Order for Judgment and Payment Agreement for the file.

Respectfully,

GRANT F. LANGLEY
City Attorney

GENEVIEVE O'SULLIVAN-CROWLEY
Assistant City Attorney

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Attachment
Enc.