



February 19, 2007  
ATTN: Kmart FICA/Refund letter recipients

## Status of Kmart FICA Claim

On January 31, 2005, Kmart filed a protective claim with the Internal Revenue Service requesting refund of FICA/Medicare taxes withheld on certain severance payments made during 2001, 2002, and 2003. Employees who responded by January 17, 2005 were included in the claim.

As of December 31, 2006, neither First Advantage, or Kmart, has been notified that final resolution of Kmart's claim. The IRS has been quoted in publications stating that all reviews of claims filed as a result of the CSX decision are pending, until a final judgment is issued by the court.

First Advantage does not anticipate final determination of this claim prior to December 2007.

If the Kmart claim is approved, Kmart will have 30 days from the day a refund check is received to forward participating employees their share of the refund.

First Advantage will continue to post updates to [www.FADV.com/TaxConsulting](http://www.FADV.com/TaxConsulting). If you have questions, please feel free to contact Sean Rooney at 317.818.8329 from 8:00-5:00 EST Monday – Friday or via e-mail at [srooney@fadv.com](mailto:srooney@fadv.com).