



Tel: 519 570 4000
Fax: 519 576 5227
www.bdodebthelp.ca

BDO Canada Limited
51 Breithaupt Street
Suite 300
Kitchener ON N2H 5G5 Canada

Von Weise of Canada Company - Proposal to Creditors

NOTICE REGARDING STATUS OF PROPOSAL AND CREDITOR DIVIDENDS February 2015

Background

This is to provide information on the status of the proposal of Von Weise of Canada Company ("Von Weise"). In January 2010, a proposal to creditors was filed. The proposal called for distributions to creditors in the fall of each of 2010 to 2013. Funds have been received to date from Von Weise totaling approximately \$2 million as required in the proposal. Three distributions to creditors from 2010 to 2012 have been processed by BDO totaling almost 19 cents per dollar.

In the notice that accompanied the December 2010 distribution to creditors, the Trustee advised that the total distribution to creditors may be in the range of 20 to 30 cents per dollar. The original estimate at the date of the proposal was 39 cents per dollar. The change was due primarily to the actual claim for the pension shortfall being \$4.2 million instead of the \$2.0 million estimated at the time of the proposal.

Final Distribution

Approximately \$1.5 million for the proposal is still due. This was to be collected from a VWER promissory note or the real estate of VWER. Von Weise has taken steps since 2012 to sell the property that secured the note. The promissory note went into default and is uncollectible.

The property is located in Eaton Rapids, Michigan and has been listed for sale at approximately \$700,000. There have been no offers and limited interest. The Von Weise Company owner has paid cost to maintain the building including insurance, security, utilities, snow removal and other related costs. There has been some rental income from tenants during the past few years to offset operating costs. There has not been significant profit from the building during these years.

Next Steps


The proposal required final payout to be by October 2013. It was cost effective to allow Von Weise to attempt to sell the asset since 2012 rather than terminating the proposal. However, this cannot continue indefinitely. The real estate market has not seemed to improve; thus, the proposal cannot be completed at the 1.5 million.

Conclusion

There are 5 creditor representatives in the Inspector group for the proposal. BDO is obtaining information from Von Weise in March regarding the real estate and some options to conclude this file. We will review the proposal and real estate with the Inspector group and report to the larger group. At this time, no further creditor distribution is anticipated.

Yours very truly

BDO Canada Limited
Trustee in the Proposal of
Von Weise of Canada Company



Susan E. Taves, CPA, CA, CIRP
Senior Vice President