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## Von Weise of Canada Company - Proposal to Creditors

### NOTICE REGARDING 2013 DISTRIBUTION October 2013

#### 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 have been processed by BDO totaling almost 19 cents per dollar. Another 5-10 cents per dollar is contemplated in the proposal.

#### 2013 Distribution

The situation has not changed since 2012 regarding another distribution to creditors. Approximately \$1.5 million for the proposal is still due from VWER or the real estate of VWER for the promissory note.

Von Weise has taken steps to sell the remaining commercial property that secured the note. The property, located in Eaton Rapids, Michigan, continues to be listed for sale. There have been no offers and limited interest. There are limited funds for the creditors on their accounts. Thus, no distribution is being prepared by BDO at this time.

It seems doubtful that the balance of the proposal funds, \$1.5 million, will be received. A much lower amount, if any, may be generated. Thus, the creditor payout, if any, will be much less than funds already received to date.

#### Next Steps

It may be most effective to continue allow Von Weise to attempt to sell the real estate. BDO is in discussion with the company and can continue to monitor the asset sale efforts and allow Von Weise's proposal to continue. The alternative would be a termination of the proposal resulting in a bankruptcy. BDO would be responsible to sell the property in the U.S. which may generate significant professional costs and still uncertain proceeds.

#### Conclusion

BDO will review the proposal terms and changes as outlined above with the Inspectors. A further general update will be prepared for all creditors.

Yours very truly

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



Susan E. Taves, CPA, CA-CIRP  
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