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June 10, 2010

**To Whom It May Concern  
Von Weise of Canada Company  
Salaried Employees**

On January 7, 2010, Von Weise Company of Canada ("Von Weise" ) made a proposal to its creditors under The Bankruptcy and Insolvency Act ("the Act"). On February 3, 2010, the proposal was approved by the creditors and subsequently on April 20, 2010 approved by the Court.

In general terms, the proposal calls for the Trustee to distribute to creditors the proceeds from the sale of real estate and the proceeds from a significant promissory note receivable. This process is to take place between 2010 and 2013.

Section 6 of the proposal calls for the Trustee, under Section 60(1.3) of the Act to firstly pay the claims of employees for unpaid wages. This is similar to wages being a preferred claim in a bankruptcy by section 136 (1)(d) of the Act.

The Trustee has now received funds from the surplus on the sale of the real estate at 505 Conestoga Boulevard, as described in Section 9 of the proposal, and has funds from which to make this distribution.

There are several things to be aware of with regard to the sections of the Act that deal with unpaid wages:

1. Unpaid wages include claims for vacation pay.
2. The preferred status for unpaid wages is limited to \$2,000.
3. The wages must be earned in the 6 month period prior to the company making a filing under the Act, which in this case was the October 26, 2010 filing of the Notice of Intention to Make a Proposal.

In determining the amount to be paid to you in this first distribution, we have taken the following approach.

- We have relied on Von Weise records to determine the total of vacation pay earned in the preceding 6 months of employment as well as vacation pay that would have been earned in termination pay, whether the termination pay amount was paid fully or in part.
- The employee must have filed a proof of claim in order for the Trustee to admit a preferred claim for vacation pay.

Many Von Weise salaried employees had significant vacation pay that had been accrued, but not paid out or taken. We understand this amount was indicated on your final ADP earnings statement. The proofs of claim submitted by Von Weise salaried employees generally identify the amount of unpaid vacation pay as a separate item. In many cases, the unpaid vacation pay exceeds the \$2,000 limit noted above.

Where the total vacation pay described above exceeds \$2,000, your preferred claim would be limited to \$2,000. The attached schedule shows the amount of your claim and payment. The cheque is adjusted for the mandatory government levy of 5% that is paid to the federal Superintendent of Bankruptcy.

Any unpaid vacation pay amounts not paid on this distribution have been admitted as an ordinary unsecured claim to share pro-rata in future dividend payments. These amounts will be included with a valid claim for termination and/or severance.

*See over*

The Trustee is reviewing the termination and severance claims of employees, claims of trade creditors and claim of the company's pension plan to finalize these claims prior to making a dividend payment to ordinary unsecured creditors. The Trustee anticipates this dividend payment will be made no later than June 25, 2010.

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