

VON WEISE, INC.

Via Overnight Deliver (Signature Required)

Chong-Anna Canfora, Director
Rapid Response Section
Michigan Department of Labor & Economic Growth
611 West Ottawa Street, 4th Floor
P.O. Box 30004
Lansing, Michigan 48909

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AUG 05 2008

RAPID RESPONSE
WORKFORCE PROGRAMS

Re: Conditional WARN Notice

Dear Ms. Canfora:

Please be advised that, due to recent and unexpected circumstances beyond the Company's control, the facilities of Specialty Motors Group Holding Corp. ("Specialty Motors") and its direct and indirect subsidiaries (collectively, the "Company"), including Von Weise, Inc., Specialty Motors Operations, Inc. and Auto Specialty Products, Inc., located at 402 East Haven Street, Eaton Rapids, Michigan 48827; 770 Jackson Street, Eaton Rapids, Michigan 48827; and 450 Marlin Avenue, Eaton Rapids, Michigan 48827, may close, and all Company personnel working at these facilities terminated. The Company has suffered continuing cash flow losses due to, among other things, the continued weakness of the United States automotive industry, increased sourcing of parts and components to Asia, the unexpected loss of certain key customers and related sales, and an unanticipated increase in commodity metal pricing. Additionally, while the Company has marketed itself as a going-concern, such sale efforts, to date, unexpectedly have not been successful.

This notice is being issued pursuant to the federal Worker Adjustment and Retraining Notification Act (the "WARN Act"). Although the Company is uncertain (and does not concede) that WARN will apply in this situation, and while the Company remains hopeful that a new purchaser can be found to operate some or all of the Carson operations, this notice is being issued out of an abundance of caution to all affected employees, as well as appropriate state and local authorities. While the Company would have preferred to provide more notice of this possible shutdown, to do so would have undermined its efforts to sell or otherwise attract financing to preserve the business.

None of the Company's employees are union-represented, and there are no bumping or transfer rights associated with any layoff that eventually occurs. Presently, it is anticipated that some layoffs will occur as of the week of August 4, 2008, and will continue over the subsequent 14-day period. Whether these initial layoffs actually occur, or are permanent, would depend on the operational plans of any purchaser of the Company's operations. If a sale is not consummated promptly, all of the Company's personnel will be terminated and the facilities permanently closed. The Company will provide you with a schedule that contains a list of all

VON WEISE, INC.

August 6, 2008

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AUG 13 2008

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P.O. Box 30004
Lansing, Michigan 48909

RAPID RESPONSE
WORKFORCE PROGRAMS

Re: Supplement to Conditional WARN Notice

Dear Ms. Canfora:

I write in furtherance of the August 1, 2008 letter issued to you by Specialty Motors Group Holding Corp. and its direct and indirect subsidiaries (collectively, the "Company"), including Von Weise, Inc., Specialty Motors Operations, Inc. and Auto Specialty Products, Inc. pursuant to the federal Worker Adjustment and Retraining Notification Act (the "WARN Act"). In its August 1, 2008 letter, the Company indicated that in light of circumstances beyond the Company's control, the Company's facilities located at 402 East Haven Street, Eaton Rapids, Michigan 48827; 770 Jackson Street, Eaton Rapids, Michigan 48827; and 450 Marlin Avenue, Eaton Rapids, Michigan 48827 (collectively, the "Facilities"), may close, and all Company personnel working at the Facilities may be terminated.

In addition, in its letter of August 1, 2008, the Company further indicated that it would provide you with a schedule that contains a list of all job classifications affected by any closing of the Facilities and the number of affected employees in each classification, as soon as practicable. Please find enclosed as Appendix A to this letter a list of the job classifications and the number of affected employees in each classification that the Company believes at this time may be affected in any closing of the Facilities. To the extent any of the information set forth in Appendix A changes or needs to be supplemented, the Company will provide you with notice of any such changes or supplements as soon as practicable.

Please contact the Company's Director of Human Resources, Gregory Johnston at (517) 663-2161 if you have any questions.

Sincerely,



Kevin Hein

Vice President, Operations

Von Weise, Inc. (for itself and its affiliates)

Von Weise, Inc.
Affected Job Classifications

<u>Category</u>	<u>No. of Employees</u>
Engineering	24
Executive Management	6
Finance/Accounting	11
Quality	5
Operations	8
Sales	11
Purchasing	3
Temporary	-
Production	187
Human Resources	3
Information Technology	2
Administrative	2
Customer Service	2
Total	<u><u>264</u></u>