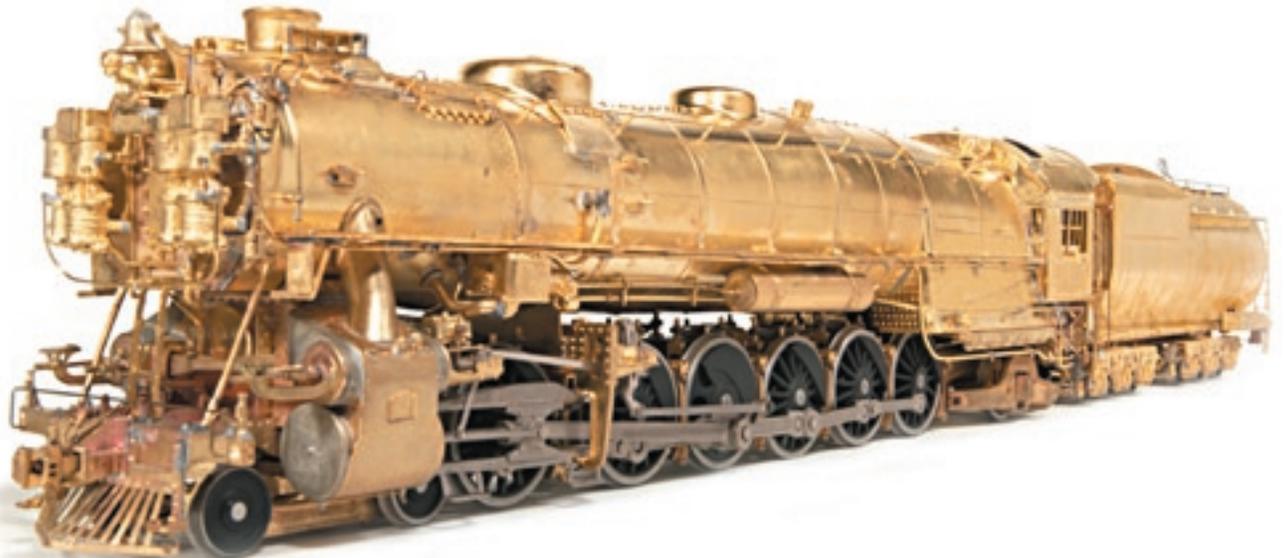


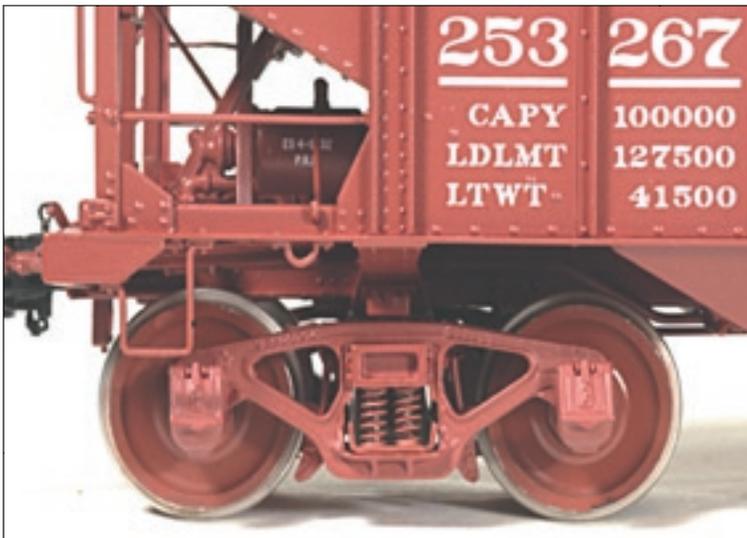
November 2002 Update

Since our last update we have been busy as usual working to complete and deliver existing projects and to develop new ones. Specifically, we have completed the delivery of our Norfolk & Western Y6b, completed the production and begun the delivery of our first rolling stock project, the Pennsylvania Railroad GLe class cement cars and have started the reservation process for our next locomotive, the Union Pacific 'type' 4-12-2, the first sample of which is shown below. We also have three additional locomotive projects in various stages of development, our next two scheduled projects and one that will be a special offering made to our existing customers. With the overall success of our GLe cement cars, we are also continuing the development of our rolling stock. With this update we hope to have you current on all of our active projects.

We are often asked why we have never sought free magazine exposure by submitting one of our models for review in one of the model railroading publications; we have hesitated due to the thought that our efforts would wind up the subject of a less than knowledgeable critiquing and at the same time we have never been interested in the 'fluff' type of review that does a real disservice to the hobby. With that in mind, we would like to thank Greg Bergman, one of our many great customers that made the effort recently to share his N&W Y6b ownership experiences in a review offered in the Fall 2002 issue of *O Scale News*, it was important to us because it was unsolicited and was based on his hands on experience with a model that he paid for. We have always felt that the only opinion regarding our models that truly mattered is that of our customers and we have always advised that potential new customers seek feedback from our owners and not keyboard jockeys on the Internet. Our concern about misleading information is the impact it could have on our customers that have made substantial investments in our models, for that reason we feel obligated to continually address the issue. As our products have become more popular, the need for advertising has been minimal which makes it difficult to expect any publication to give us great coverage when we're not supporting them. We would like to particularly thank the staff at *O Gauge Railroading* for the ongoing exposure they have provided us and *O Scale News* for the latest review.

With every project we have undertaken, we have sought the feedback of all knowledgeable individuals interested in the prototype that we were modelling and much of our success is owing to those that have responded and shared their knowledge, both great and small. As we move through the final development of our current project I need to put out the 'call' once again, let us know what you know so we have the best opportunity to get it right! We do not operate like other importers in most matters so don't be surprised that we really do want to hear from you.





Shown above and to the left are images of production GLe cement cars that were recently completed and that we are now delivering. Our rolling stock concept has been to deliver complete and ready-to-run products that offer unique qualities of detail and design, little did we know how difficult it would be, as a result, it has taken us for ever to deliver our first effort! Originally we had planned on using a builder other than Sun Jin Models, our locomotive builder, to produce this project, but as it turned out we could not arrange for any other builder to undertake this effort so the GLe's had to fall in line behind our Y6b project to be completed. We find ourselves n a bit of a catch 22 situation these days; we would like to continue expanding our product line and do so at a

faster pace, but as we continue to push the existing standards of design and detail we struggle ever harder to find production capability that can handle our requirements. We continue to evaluate our options on a regular basis and hope that the near future will yield what we need.

Not knowing for sure at the outset just how viable brass rolling stock still was sales wise in light of the very nice plastic product currently being offered, we had to settle on an indicator to judge the success of this project by. Rather than bore you with all of the calculating that we did, we ultimately simply felt that if we could entice locomotive collectors that typically had not purchased rolling stock to actually buy one or more of our GLe's that we might have a chance of keeping the brass rolling stock concept alive. I'm very happy to report that we have succeeded, it has been great fun watching as customers discover all of the interesting little details on our GLe's, things like the raised lettering on the cast truck sideframe shown above. If you feel the urge, we have just a few pieces left although not all versions are available. Our web site shows all twelve variations of this project and a downloadable brochure is available. For those of you who do not have Internet access, please get in touch and we'll be happy to mail you a brochure which also depicts each variation in color. Either way, please be sure to get in touch with us before ordering to make certain that we have the version that you are seeking.

As previously mentioned, our current locomotive project is the Union Pacific 'type' 4-12-2, the most successful three cylinder prototype ever put into service by a major American railroad. As we do with all of our projects, we sought out the best guidance possible for our research and development and with this project, we hit the 'mother load'. The definitive volumes on this prototype, we feel on any prototype, entitled *The Union Pacific Type* were authored by William Kratville and John Bush, we have had the distinct pleasure of meeting with both of these renowned experts and continue to confer regarding the absolute details of these locomotives while in service. Because this prototype was in service for such an extended period of time, from the late 20's when built until

the early 60's, there are a number of very distinct versions to model. We have narrowed our choices to the three which we feel are the most representative of the class over it's period of service. The choices range from an 'as built' UP-4 version (the largest production group), to the UP-2 class 'BL' feedwater equipped mid 30's example and finally the definite evolution of the class commonly referred to as the 'postwar' configuration. The majority of the production will be of a post-war version with the other two examples being very limited production options. We are using variations of the 18-C, 18,000 gallon tender on all three versions of the locomotive.

What seemingly started out as a pretty straight forward project has once again turned into an extremely complicated series of choices to make sure that we model correctly. We have determined that there were eight different variations of the 18-C tender as they were built, everything from rivet and seam patterns to compartment door styles make all the difference in producing a correct model. All of the reference had indicated that the trucks used on both the 15-C and all iterations of the 18-C tenders were the same and they are except that they are different! They are the same style, but being built at different times and in different shops there are striking differences between even the early and later 18-C tenders. The locomotives had the greatest assortment of rods, lubricating equipment, feedwater equipment and stokers of any prototype that we have considered. Other factors to be considered are different buffer units, different cab sheet metal and even different cab locations, we're working hard not to miss any of the key considerations in our development.

At this point, all of our existing customers and anyone that has expressed interest in our Union Pacific project should have received the informational brochure and reservation form. If you have a new interest in this project and would like additional information please let us know and we will be happy to forward all of the available materials. For those already considering this project, at the end of December the free domestic shipping incentive for early reservations will end and the ongoing updates to reservation holders will begin, act now so you do not miss out.

While our Union Pacific project is in final development, we are moving forward at fill speed ahead in researching and planning for our next project the Pennsylvania K-4 'Pacific', seemingly one of the most sought after projects on our schedule. As we draw ever closer to deciding on the final versions to be offered, we will ultimately offer up what our research has taught us and see if we can correlate what we have learned with what our customers are looking for. It has become readily apparent that in order to be as accurate as possible in modeling this prototype, we will have to pick individual road numbers at specific points in time to guide our feature and detail renditions. In the photo below, see if you can identify the significant variables, things like frame type, driver type, headlight type and size, pilot type, tender version and also if you can locate any significant appliance variations. This is all



part of our routine process. In spite of the many produced, it is virtually impossible to find significant groups of locomotives that maintained their like appearance during service, there are many variant factors to be considered. For those of you that are anxious for the completion of this project, we fully anticipate the completion of production and delivery in 2003.

Several months back we arranged for our customers limited time special pricing on the purchase of a Dallee Electronics Engineer power supply, we have again arranged a special package and hope that if you missed out the first time, it won't happen again. If you like to operate your equipment slowly, this is the unit you must have, you will see major performance improvements with all of your locomotives, particularly your less expensive pieces. You should contact Dallee Electronics directly with your Kohs & Company customer number to order an 18V, 8 amp Engineer for \$449.50 plus shipping. You have to experience the difference to believe it and once you do, there's no turning back This offer ends at Christmas 2002, phone Dallee at 717-661-7041, refer to this offer.



There are several projects that we continue to pursue that have not been specifically mentioned due to space limitations, hopefully we'll get you more details in the next update. I should remind you that we are continually looking for reference material to use in the development of our projects and more often than not the best material comes out of private collections. There are two projects in particular that we are in need of real help, the first being the C&O K-3/K-3a 'Mikes' and the Erie 'S' class Bershires. Any material that is loaned to us is faithfully returned as quickly as possible and we will cover all shipping charges. If material becomes available for sale we will certainly consider that as well. If you have material related to any of our future projects, please do not hesitate to get in touch with us to discuss the particulars. Customer feedback and input make all the difference in the world in making our models as accurately as possible.

Future Projects

The prototypes listed below are projects that we are firmly committed to and are actively working on. Fair pricing is essential to our future success and to help control costs it is very important for us to have a calculated approach to the development and production of our models. With our list presented, as we plan for the future, those interested in our projects can also give thought to future acquisitions.

Pennsylvania Railroad K-4 'Pacific'
Chesapeake & Ohio H-8 'Allegheny' (three versions) / **Virginian 'AG'**
New York Central 'Niagara' S1a, S1b & S2a
Union Pacific Class 4884-1&2 'Big Boy' (both production variations)
Erie S class 'Berkshire'
Chesapeake & Ohio K3/ K3a 'Mikado' (two tender versions, RA & V-16)

Show Schedule

Big Railroad Hobby Show / February 1-2, 2003
West Springfield, Massachusetts

O Scale West / February 13-16, 2003
Santa Clara, California

March O Scale Meet / March 15-16, 2003
Chicago, Illinois

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