

SUPREME COURT

APR 14 2010

COMMONWEALTH OF THE BAHAMAS
NASSAU, BAHAMAS

2006/COM/bnk/00015

IN THE SUPREME COURT

Commercial Division

IN THE MATTER OF MOSAIC COMPOSITE LIMITED (U.S.), INC.
(IN LIQUIDATION)

AND

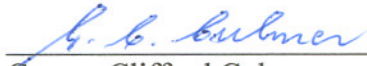
IN THE MATTER OF THE INTERNATIONAL BUSINESS COMPANIES ACT
Chapter 309
Statute Laws of the Bahamas, 2000 Edition

AFFIDAVIT

We, GEORGE CLIFFORD CULMER, of San Souci in the Eastern District of the Island of New Providence, and RAYMOND MASSI, of the City of Montreal, Province of Quebec, Canada, make oath and say as follows: -

1. We were appointed Joint Liquidators of the above-named Mosaic Composite Limited (U.S.), Inc. (In Liquidation) by this Honorable Court on the 23rd day of January, 2007.
2. By an Order of this Honorable Court made on the 23rd day of January, 2007, the Joint Liquidators are required to file with the court a report in writing as to the position of and the progress made in the winding-up of Mosaic Composite Limited (U.S.), Inc at intervals of three months.
3. Pursuant to the said Order, this Report has been prepared by the Official Liquidators as of the 30th day of September 2009 and is exhibited hereto. We verily believe the contents of the Eighth Report to be true.
4. The said Report summarises the progress made since the date of our last report on the 30th day of June 2009.

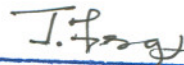
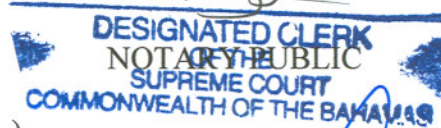
SWORN to at the City of Nassau)
In the Island of New Providence)
This 12 day of March, 2010)



George Clifford Culmer

BEFORE ME,

SWORN to at the City of Montreal)
In the Province of Quebec)
This 5 day of April, 2010)



DESIGNATED CLERK
NOTARY PUBLIC
SUPREME COURT
COMMONWEALTH OF THE BAHAMAS



Raymond Massi

BEFORE ME,



NOTARY PUBLIC



**MOSAIC COMPOSITE LTD.
(In Liquidation)
c/o BDO Mann Judd
P.O. Box N-10144
Nassau, Bahamas**

BY HAND

Supreme Court of the Commonwealth of the Bahamas
Nassau, Bahamas

**Mosaic Composite Ltd. (In Liquidation) ("Mosaic")
Eighth Report of the Joint Liquidators
To the Court**

1) INTRODUCTION AND BACKGROUND

- i) Please refer to the previous report of the Joint Liquidators dated 15 February 2008.
- ii) The Joint Liquidators present herewith their Eighth Report in accordance with the Court's Order dated 23 January 2007.

2) FINANCIAL POSITION

- i) There has been no significant change since the First Report.
- ii) See Exhibit MCL-3 for receipts and payments detail for the period of the 01st of July 2009 thru the 30th of September 2009.

3) CREDITORS AND SHAREHOLDERS

- i) The situation remains the same as outlined in the Fourth Report.

4) LITIGATION

- i) On the 14th day of July, 2009 the JOL's filed a civil complaint in the District of Minnesota against Lowell Holden, the former Director of Mosaic, to recover funds wrongfully advanced or transferred. On the 21st of August 2009 the clerk entered a default against Lowell Holden, as the defendant failed to respond in a timely manner to the complaint.

- ii) On the 3rd day of September 2009, the JOL's filed a Motion for the entry of judgment based on the entry of default.
- iii) On the 15th of September 2009, Counsel for the defendant filed a Motion to set aside the default.
- iv) The Court has scheduled a Hearing to consider the parties respective Motions on the 9th day of April 2010.

5) RECEIPTS AND EXPENDITURE

5.1 We are exhibiting MCL-3 dated the 30th of September 2009 which sets out the transactions of the Mosaic JOLs, since the Seventh Report as at the 30th of June 2009.

MOSAIC COMPOSITE LIMITED (U.S.), INC.
(IN LIQUIDATION)
RECEIPTS AND PAYMENTS FOR THE PERIOD
01 JULY 2009 – 30 SEPTEMBER 2009

Exhibit MCL-3

RECEIPTS	Bank Accounts in the Bahamas			Canadian Bank Acct	Total
	US\$	Cdn\$	B\$	US\$	
Interest Income			2,887	3,370	6,257
Dividend Income			220,000		220,000
Loan from Norshield Receivership				20,000	20,000
TOTAL RECEIPTS	<u>0</u>	<u>0</u>	<u>222,887</u>	<u>23,370</u>	<u>246,257</u>
DISBURSEMENTS					
Legal fees		20,006			20,006
Bank and miscellaneous charges		67			67
TOTAL DISBURSEMENTS	<u>0</u>	<u>20,073</u>	<u>0</u>	<u>0</u>	<u>20,073</u>
(DECREASE) INCREASE IN CASH	---	(20,073)	222,887	23,370	226,184
Cash Balance as at 30 June 2009	95,918	299,525	691,720	4,635,829	5,722,992
Total Cash as at 30 September 2009	<u>95,918</u>	<u>279,452</u>	<u>914,607</u>	<u>4,659,199</u>	<u>5,949,176</u>

COMMONWEALTH OF THE BAHAMAS

IN THE SUPREME COURT

Commercial Division

**IN THE MATTER OF MOSAIC COMPOSITE
LIMITED now MOSAIC COMPOSITE
LIMITED (U.S.), INC. (A Minnesota Corporation)
(In Liquidation) (“Mosaic”)**

AND

IN THE MATTER OF THE INTERNATIONAL

BUSINESS COMPANIES ACT , Chapter 309,

**Statute Laws of the Bahamas, 2000 Edition (“the
Act”)**

**AFFIDAVIT OF GEORGE CLIFFORD CULMER
AND RAYMOND MASSI
(EIGHTH REPORT OF THE LIQUIDATORS)**

2006/COM/bnk/00015

CALLENDER & CO
Chambers
One Millars Court
Nassau, N.P., Bahamas
Attorneys for the Joint Official Liquidators
Attn: Tracey A.A.A. Ferguson