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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Case No. 02-81440-HDH-11
	§	Chapter 11
MOSAIC GROUP (US) INC., et al.,	§	Jointly Administered
	§	
Debtors.	§	
	§	
Jeffrey H. Mims, Chapter 11 Trustee,	§	Adversary Case No. _____
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	
DAYMON WORLDWIDE DEMOS, INC. F/K/A/ VANGUARD MARKETING SERVICES, INC. AND D/B/A PRO DEMONSTRATION SERVICES	§	
Defendant.		

COMPLAINT

Jeffrey H. Mims, Chapter 11 Trustee of the Mosaic Group (US) Inc., et al., bankruptcy estates (the "Trustee"), files this Complaint against Daymon Worldwide Demos, Inc. f/k/a Vanguard Marketing Services, Inc. and d/b/a Pro Demonstration Services ("Defendant"), and

pursuant to Federal Rule of Bankruptcy Procedure 7001, and 11 U.S.C. §§ 547 and 550, states as follows:

JURISDICTION

1. This Complaint represents a civil proceeding arising under, in or related to a case under Title 11 of the United States Code (the "Bankruptcy Code").

2. This Court has jurisdiction over this Complaint pursuant to 28 U.S.C. § 1334 and F. R. Bankr. P. 7001.

3. This Complaint constitutes a "core" proceeding pursuant to 28 U.S.C. § 157(b).

4. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

PROCEDURAL HISTORY

5. On December 17, 2002, Mosaic Group (US), Inc.; Mosaic Sales Solutions (I), Inc.; Mosaic Sales Solutions (II), Inc.; Mosaic Sales Solutions (III), L.P.; Mosaic Sales Solutions (III) (LP), Inc.; Mosaic Sales Solutions (III) (GP), Inc.; Mosaic Prepaid Solutions, Inc.; Mosaic Performance Solutions, Inc.; and Mosaic Group (US) Partnership (collectively, the "Debtors") filed voluntary petitions under Chapter 11 of the Bankruptcy Code (the "Petition Date"). Contemporaneous with the filing of the Debtors' chapter 11 petitions, the Debtors' parent company, Mosaic Group, Inc. ("MGI") and certain of its Canadian affiliates and subsidiaries, commenced proceedings (the "Canadian Restructuring Process") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA").

6. The Court entered an order consolidating the Debtors' cases for procedural and administrative purposes only on December 18, 2002. The Court granted complex Chapter 11 Bankruptcy Case treatment of the Debtors' cases on December 20, 2002.

7. On or about June 1, 2004, the Court entered an Order appointing Jeffrey Mims the Chapter 11 Trustee in this jointly administered bankruptcy case.

PARTIES

8. The Defendant is a corporation, partnership, association, or individual and may be served by delivering a copy of the summons and of the Complaint in accordance with Fed. R. Civ. P. 4 made applicable to adversary proceedings pursuant to Fed. R. Bankr. P. 7004.

FACTS

9. Between September 18, 2002 and December 17, 2002, Mosaic Sales Solutions (I), Inc. ("Mosaic") transferred monies to the Defendant totaling not less than $90,075.32 (the "Payments").

10. Upon information and belief, Vanguard Marketing Service is now known as Daymon Worldwide Demos Inc.

11. Upon information and belief Pro Demonstration Services is a name under which Daymon Worldwide Demos Inc. does business.

COUNT I - PREFERENCE

12. The Plaintiff incorporates by reference all allegations contained in paragraphs 1 through 9 above.

13. The Payments were transfers of property of Mosaic.

14. The Payments were made to or for the benefit of creditors of Mosaic.

15. The Payments were made to the Defendant for or on account of an antecedent debt owed by Mosaic before the Payments were made.

16. The Payments were made within 90 days before Mosaic filed bankruptcy.

17. At the time the Payments were made, Mosaic was insolvent.

18. The Payments enabled the Defendant to receive more than it would have received under Chapter 7 of the Bankruptcy Code if the Payments had not been made and if the Defendant had received payment as provided under the Bankruptcy Code.

19. The Defendant is the initial transferee of the Payments.

20. By reason of the foregoing, the Trustee may avoid the Payments to the Defendant pursuant to 11 U.S.C. § 547, and recover, for the benefit of the estate, the Payments or the value thereof from the Defendant pursuant to 11 U.S.C. § 550.

WHEREFORE, the Trustee prays for entry of a judgment:

a. In favor of the Trustee against the Defendant in the amount of the Payments received, plus pre-judgment and post-judgment interest, attorney's fees and expenses, and court costs to the fullest extent allowed by law; and

b. Granting such other and further relief that the Court deems just and proper.

Respectfully submitted,

KANE, RUSSELL, COLEMAN & LOGAN, P.C.

By: /s/ Joseph A. Friedman
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