Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc
CASE NUMBER: 02-81437
JUDGE: Harlin D. Hale

ACCRUAL BASIS

02/13/95, RWD, 2/96

UNITED STATES BANKRUPTCY COURT

NORTHERN_____DISTRICT OF_____ TEXAS

6 _____ DIVISION

MONTHLY OPERATING REPORT

Month Ending: April 30, 2004

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

Joel M. Simon — DIRECTOR

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY — TITLE

JOEL M. SIMON — 5/19/04

PRINTED NAME OF RESPONSIBLE PARTY — DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER — TITLE

PRINTED NAME OF PREPARER — DATE

Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc
CASE NUMBER: 02-81437

ACCRUAL BASIS-7

02/13/95, RWD, 2/96

MONTH: 30-Apr-04

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		X
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?		X
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY

Mosaic Sales Solutions (II) Inc.
ATTACHMENT TO MOR-7
Month Ending April 30, 2004

The net assets held in Mosaic Sales Solutions (II) Inc. were sold, along with the net asse Mosaic Sales Solutions (I) Inc. and Mosaic Sales Solutions (III) LP and several Canadiar entities to JLL Partners. The proceeds of the sale are held in escrow by KPMG (the monitor under CCAA). Allocation of the proceeds between the companies has not yet be determined. In the previous month's operating report the disposal of the assets has been reflected. The proceeds will be reflected in a future month or when an allocation has bee determined.

Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc
CASE NUMBER: 02-81437

ACCRUAL BASIS-5

02/13/95, RWD, 2/96

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: Apr-04

BANK RECONCILIATIONS	Account #1	Account #2	Account #3	Other	
A. BANK:	Frost Bank	Frost Bank	CIBC **	Bank of America	
B. ACCOUNT NUMBER:	01-86002917	86-0002909	2-248800	Other	TOTAL
C. PURPOSE (TYPE):	Operating Acct	Payroll Acct	Operating	Operating	
1. BALANCE PER BANK STATEMENT	$0	$0	$0	$588,435	$588,435
2. ADD: TOTAL DEPOSITS NOT CREDITED	$0		$0	$0	$0
3. SUBTRACT: OUTSTANDING CHECKS	$0	$0	$0	$0	$0
4. OTHER RECONCILING ITEMS	$0		$0	$0	$0
5. MONTH END BALANCE PER BOOKS	$0	$0	$0	$588,435	588,435
6. NUMBER OF LAST CHECK WRITTEN	Closed	Closed	Closed		

INVESTMENT ACCOUNTS					
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE		TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.					
8.					
9.					
10.					
11. TOTAL INVESTMENTS				$0	$0

CASH	
12. CURRENCY ON HAND	$0
13. TOTAL CASH - END OF MONTH	$588,435

** CIBC is part of a concentration account system managed by the parent, MGI.

CASE NAME: Mosaic Sales Solutions (II) Inc

CASE NUMBER: 02-81437

30-Apr-04

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS				
	NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1	Mosaic Performance Solutions	Employee Medical Insurance		$302,111
2	Mosaic Info Force	Expenses		$554
3	Mosaic Sales Solutions (I)	Expense Reimbursement		$50,661
4	Mosaic Sales Solutions (I)	Equipment		$754
5	Bill Lee	Salary		$159,001
6	Brian Meagher	Salary		$194,385
7	Jane Burns	Salary		$47,301
8	Virginia Duncan	Salary		$69,038
9	Greg Foley	Salary		$67,500
10	Meredith Gould	Salary		$52,115
11	Teresa Rago	Salary		$53,627
12	Shelly Windle	Salary		$54,615
13	Michael Weiskircher	Salary		$67,693
14	Mark Jones	Salary		$59,231
15	Harold Sassamann	Salary		$48,654
16	Lauree Vallery	Salary		$63,739
17	Mark Jones	Signing Bonus		$30,000
18	Shelly Windle	Expenses		$10,160
19	Meredith Gould	Expenses		$21,284
20	Teresa Rago	Expenses		$19,644
21	Virginia Duncan	Expenses		$21,867
22	Michael Weiskircher	Expenses		$6,391
23	Harold Sassamann	Expenses		$2,637
24	Greg Foley	Expenses		$41,799
25	Lauree Vallery	Expenses		$16,835
26	Mark Jones	Expenses		$21,003
27	Brian Meagher	Expenses		$13,273
28	Bill Lee	Expenses		$12,565
29	Teresa Rago	Bonus		$50,000
30	Harold Sassamann	Bonus		$10,000
31	Lauree Vallery	Bonus		$25,000
32	TOTAL PAYMENTS TO INSIDERS		$0	$1,593,435

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID		
1.					
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		$0	$0		

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

	NAME OF CREDITOR		SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	
1	WFS Financial	Building Lease			
2	A&R Kaliman Realty	Building Lease			
3	Handro Management Corp	Building Lease			
4	Kearny Mesa Complex	Building Lease			
5	Xerox	Equipment Lease			
6	Pitney Bowes Credit Corp	Equipment Lease			
7					
5.					
6.	TOTAL		$0	$0	

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CASE NAME: Mosaic Sales Solutions (II) Inc	ACCRUAL BASIS-4
CASE NUMBER: 02-81437	02/13/95, RWD, 2/96

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	Apr-04	MONTH	MONTH
1. 0-30			$0	$0
2. 31-60			$0	$0
3. 61-90			$0	$0
4. 91+			$0	$0
5. TOTAL ACCOUNTS RECEIVABLE	$0	$0	$0	$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		$0		
7. ACCOUNTS RECEIVABLE (NET)	$0	$0	$0	$0

AGING OF POSTPETITION TAXES AND PAYABLES MONTH: Apr-04

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					
2. STATE					
3. LOCAL					
4. OTHER (ATTACH LIST)					
5. TOTAL TAXES PAYABLE	$0	$0	$0	$0	$0
6. ACCOUNTS PAYABLE					$0

STATUS OF POSTPETITION TAXES MONTH: Apr-04

FEDERAL	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ 0R ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
1. WITHHOLDING**	$0			$0
2. FICA-EMPLOYEE**	$0			$0
3. FICA-EMPLOYER**	$0			$0
4. UNEMPLOYMENT	$0			$0
5. INCOME	$0			
6. OTHER (ATTACH LIST)	$0			
7. TOTAL FEDERAL TAXES	$0			$0
STATE AND LOCAL				
8. WITHHOLDING	$0			$0
9. SALES	$0			
10. EXCISE	$0			
11. UNEMPLOYMENT	$0			$0
12. REAL PROPERTY	$0			
13. PERSONAL PROPERTY	$0			
14. OTHER (ATTACH LIST)	$0			$0
15. TOTAL STATE & LOCAL	$0			$0
16. TOTAL TAXES	$0			$0

Our taxes are paid electronically by ADP, therefore I have no electronic verification to send.

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc
CASE NUMBER: 02-81437

ACCRUAL BASIS-3

02/13/95, RWD, 2/96

CASH RECEIPTS AND DISBURSEMENTS	Apr-04	May-04	Jun-04	QUARTER TOTAL
1. CASH - BEGINNING OF MONTH	$588,218			$588,218
RECEIPTS FROM OPERATIONS				
2. CASH SALES				
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION	$0			$0
4. POSTPETITION	$0			$0
5. TOTAL OPERATING RECEIPTS	$0			$0
NON - OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)				
7. SALE OF ASSETS				
8. OTHER (See below)	$217			$217
9. TOTAL NON-OPERATING RECEIPTS (1)	$217			$217
10. TOTAL RECEIPTS	$217			$217
11. TOTAL CASH AVAILABLE	$588,435			$588,435
OPERATING DISBURSEMENTS				
12. NET PAYROLL	-			$0.00
13. PAYROLL TAXES PAID	-			$0
14. SALES, USE & OTHER TAXES PAID	-			$0
15. SECURED / RENTAL / LEASES	-			$0
16. UTILITIES	-			$0
17. INSURANCE	-			$0
18. INVENTORY PURCHASES				$0
19. VEHICLE EXPENSES				$0
20. TRAVEL	-			$0
21. ENTERTAINMENT				$0
22. REPAIRS & MAINTENANCE	-			$0
23. SUPPLIES	-			$0
24. ADVERTISING	-			$0
25. OTHER (ATTACH LIST) (2)	-			$0
26. TOTAL OPERATING DISBURSEMENTS	-			$0
REORGANIZATION EXPENSES				$0
27. PROFESSIONAL FEES				$0
28. U.S. TRUSTEE FEES				$0
29. OTHER (ATTACH LIST)				$0
30. TOTAL REORGANIZATION EXPENSES	$0			$0
31. TOTAL DISBURSEMENTS	$0			$0
32. NET CASH FLOW	$217			$217
33. CASH - END OF MONTH	$588,435			$588,435

(1) Interest Income 216.97

Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc	ACCRUAL BASIS-2
CASE NUMBER: 02-81437	02/13/95, RWD, 2/96

INCOME STATEMENT	Apr-04	May-04	Jun-04	QUARTER TOTAL
REVENUES				
1. GROSS REVENUES	$0			$0
2. LESS: RETURNS & DISCOUNTS				
3. NET REVENUE	$0			$0
COST OF GOODS SOLD				
4. MATERIAL	$0			$0
5. DIRECT LABOR	$0			$0
6. DIRECT OVERHEAD	$0			$0
7. TOTAL COST OF GOODS SOLD	$0			$0
8. GROSS PROFIT	$0			$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION	$0			$0
10. SELLING & MARKETING				
11. GENERAL & ADMINISTRATIVE WAGES	$0			$0
12. RENT & LEASE	$0			$0
13. OTHER (ATTACH LIST)	$0			$0
14. TOTAL OPERATING EXPENSES	-			$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	$0			$0
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT. LIST)				
17. NON-OPERATING EXPENSE (ATT. LIST)				
18. INTEREST EXPENSE				
19. DEPRECIATION / DEPLETION	$0			$0
20. AMORTIZATION	$0			$0
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES	$0			$0
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES				
24. U.S. TRUSTEE FEES	$0			$0
25. OTHER (ATTACH LIST)				
26. TOTAL REORGANIZATION EXPENSES	$0			$0
27. INCOME TAX				
28. NET PROFIT (LOSS)	$0			$0

Monthly Operating Report

CASE NAME: Mosaic Sales Solutions (II) Inc

ACCRUAL BASIS-1

CASE NUMBER: 02-81437

02/13/95, RWD, 2/96

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	Apr-04	May-04	Jun-04
1. UNRESTRICTED CASH		$588,435		
2. RESTRICTED CASH				
3. TOTAL CASH		$588,435		
4. ACCOUNTS RECEIVABLE (NET)				
5. ALLOWANCE FOR DOUBTFUL ACCTS				
6. OTHER RECEIVABLES (Attach List)				
7. PREPAID EXPENSES				
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS		$588,435		
10. PROPERTY, PLANT & EQUIPMENT				
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION				
12. NET PROPERTY, PLANT & EQUIPMENT		$0		
13. DUE FROM INSIDERS		($5,082,744)		
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)				
15. OTHER (ATTACH LIST)				
16. TOTAL ASSETS		(4,494,309)		
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE				
18. TAXES PAYABLE				
19. NOTES PAYABLE		$0		
20. PROFESSIONAL FEES				
21. SECURED DEBT				
22. OTHER (ATTACH LIST)				
23. TOTAL POSTPETITION LIABILITIES		$0		
PREPETITION LIABILITIES				
24. SECURED DEBT				
25. PRIORITY DEBT				
26. UNSECURED DEBT (Intercompany)		$9,325,861		
27. OTHER (ATTACH LIST)		$1,065,096		
28. TOTAL PREPETITION LIABILITIES		$10,390,957		
29. TOTAL LIABILITIES		$10,390,957		
EQUITY				
30. PREPETITION OWNERS' EQUITY		$5,572,982		
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		($20,418,519)		
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33. TOTAL EQUITY		($14,845,538)		
34. TOTAL LIABILITIES & OWNERS' EQUITY		($4,454,581)		

NOTE: Prepetition liabilites were removed and included in the loss of the asset sale in July 2003. The prepetition liabilities were not sold therefore the treatment of the liabilties was incorrect. To correct this error, the prepetition liabilites have been included again and offset against the loss recorded from the sale.