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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A
(Amendment No. 1)

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL QUARTER ENDED SEPTEMBER 30, 2007

COMMISSION FILE NO.: 0-52356

SEAWAY VALLEY CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 20-5996486

(State of other jurisdiction of incorporation or organization (IRS Employer Identification No.))

10-18 Park Street, 2nd Floor, Gouverneur, N.Y. 13642 13642

(Address of principal executive offices) (Zip Code)

(315) 287-1122

(Registrant's telephone number including area code)

Check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant as required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ___ No X

The number of outstanding shares of common stock as of November 6, 2007 was:
727,506,363

Transitional Small Business Disclosure Format: Yes No X .

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AMENDMENT #1: EXPLANATORY NOTE

ADDITIONAL INFORMATION IN "MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION"

This Amendment No. 1 on Form 10-QSB/A, which amends and restates items identified below with respect to the Form 10-QSB, filed by Seaway Valley Capital Corporation (formerly known as "GS Carbon Corporation") ("we" or "the Company") with the Securities and Exchange Commission (the "SEC") on November 14, 2007 (the "Original Filing"), is being filed to reflect material facts omitted from "Management's Discussion And Analysis Or Plan Of Operation."

Seaway Capital Partners, LLC was formed in 2002 by Thomas W. Scozzafava as a money management, venture capital, and leveraged buyout company. Among other investments, Seaway Capital Partners, LLC was the original founder of and investor in WiseBuys Stores, Inc. and managed the Seaway Valley Fund, LLC (the "Fund"), a stock and bond fund wholly owned by WiseBuys Stores, Inc.

On July 1, 2007, Mr. Scozzafava sold his stake in Seaway Capital Partners, LLC and formed Seaway Capital, Inc., which acquired GreenShift's entire controlling stake in GS Carbon Corporation. As part of that transaction, GS Carbon's historical operating businesses were acquired by GreenShift Corporation affiliate, GS CleanTech Corporation. By July 1, 2007, Seaway Valley Capital Corporation had negotiated and executed documents for the purchase of the majority of the capital stock and control of WiseBuys Stores, Inc. The transaction was later amended and consummated as a stock-for-stock merger rather than a purchase.

Additionally on July 1, 2007, Seaway Valley Capital Corporation assumed the role of Fund Manager of the Seaway Valley Fund, LLC, which is a wholly owned subsidiary of WiseBuys Stores, Inc. As the sole investment manager of the Fund, the Company made exclusive investment decisions regarding acquisition and disposition of various securities in the Fund. At the time the Company assumed the management of the Fund on July 1, 2007, its assets totaled approximately \$1.83 million. On behalf of the Fund, the Company successfully negotiated and sold securities that generated gross proceeds of \$1.865 million with profits of approximately \$1.117. As outlined in the original Operating Agreement and later Modified Operating Agreement between the Fund and the Fund Manager, the Fund Manager is to be compensated with a fee based on a 2% of the annual assets of the Fund and a profit share of 20% of the profits generated in the Fund by the Fund Manager. As the Fund Manager the Company accrued fees of \$96,226 for the period ended September 30, 2007.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

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SEAWAY VALLEY CAPITAL CORPORATION
(F/K/A GS CARBON CORPORATION)
A DEVELOPMENT STAGE COMPANY
CONDENSED CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2007
(UNAUDITED)
(AS RESTATED)

ASSETS

Current Assets:

Due from Related Party (Note 4)	\$ 500,000
Management fee receivable - related party	96,226

TOTAL ASSETS	\$ 596,226
	=====

LIABILITIES AND STOCKHOLDER'S DEFICIENCY

Current liabilities:

Accrued expenses	\$ 26,125
Derivative liability - convertible debentures (Note 4)	276,488

Total current liabilities	302,613
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Convertible debentures payable (Note 4)	964,393

TOTAL LIABILITIES	1,267,006

STOCKHOLDERS' DEFICIENCY

Series A voting preferred stock (\$.0001 par value; 100,000 shares authorized; no shares issued and outstanding)	--
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Series B voting preferred stock (\$.0001 par value; 100,000 shares authorized; 100,000 shares issued and outstanding)	8
---	---

Common stock, \$0.0001 par value, 2,500,000,000 authorized; 632,503,363 issued and outstanding	63,251
Additional paid-in capital	4,229,559
Deficit accumulated during the development stage	(4,963,598)

Total stockholders' deficiency	(670,780)
=====	
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 596,226
=====	

The notes to the consolidated condensed financial statements are an integral part of these statements.

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SEAWAY VALLEY CAPITAL CORPORATION
(F/K/A GS CARBON CORPORATION)
A DEVELOPMENT STAGE COMPANY

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND
THE PERIODS OF INCEPTION (JANUARY 14, 2006) TO SEPTEMBER 30, 2006 AND 2007
(UNAUDITED)
(AS RESTATED)

<CAPTION>

		Period	Period		
		of Inception	of Inception		
	Three Months Ended	Nine Months Ended (Jan. 14, 2006) to		(Jan. 14, 2006) to	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007

<S>	<C>	<C>	<C>	<C>	<C>
Revenue	\$ --	\$ --	\$ --	\$ --	\$ --
Cost of Revenue	--	--	--	--	--

Gross Profit	--	--	--	--	--

Share Based Compensation	\$ --	\$ --	\$ 2,036,704	\$ --	\$ 2,036,704

Operating Loss	--	--	(2,036,704)	--	(2,036,704)
Other Income (expenses):					
Management fees - related party	96,226	--	96,226	--	96,226
Other Expenses	5,976	--	5,976	--	5,976
Unrealized gain on derivative	3,183,074	--	313,876	--	1,115,096
Interest expense	(1,667)	--	(289,159)	--	(460,253)
Income (Loss) From Continuing Operations .	3,283,609	--	(1,909,785)	--	(1,279,659)
Discontinued Operations, Net of Tax					
Gain on disposal of discontinued Operations	2,234,974	--	2,234,974	--	2,234,974
Loss from discontinued operations	--	--	(230,043)	(4,248,810)	(453,479)
					(4,657,361)
Net Income (Loss)	\$ 5,518,583	\$ (230,043)	\$ (3,923,621)	\$ (453,479)	\$ (3,702,046)
Basic and Diluted Income (Loss) Per Share					
Continuing Operations	\$ 0.01	\$ --	\$ (0.01)	\$ --	
Discontinued Operations	--	(230.04)	(0.01)	(453.48)	
Income (Loss) Per Share: Basic and Diluted	\$ 0.01	\$ (230.04)	\$ (0.02)	\$ (453.48)	
Weighted average shares of common					
Stock outstanding basic and diluted	427,812,861	1,000	291,214,058	1,000	

The notes to the consolidated condensed financial statements are an integral part of these statements.

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SEAWAY VALLEY CAPITAL COPORATION (F/K/A GS CARBON CORPORATION)
A DEVELOPMENT STAGE COMPANY

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND
THE PERIODS OF INCEPTION (JANUARY 14, 2006) TO SEPTEMBER 30, 2006 AND 2007
(UNAUDITED)

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	Period of Inception Period of Inception		
	Nine Months Ended	(Jan. 14, 2006) to	(Jan. 14, 2006) to
	September 30, 2007	September 30, 2006	September 30, 2007

Net cash use in operating activities	\$ (4,019,847)	\$ (453,479)	\$ (3,798,272)

Adjustments to reconcile net loss to net cash used in operating activities:			
<S>	<C>	<C>	<C>
Depreciation and amortization	26,849	19,599	62,912
Forgiveness of registration rights penalty	--	--	(480,290)
Unrealized loss on derivative instruments	2,952,295	--	2,151,075
Amortization of debt discount	320,743	--	421,771
Loss on disposal of technology license	189,832	--	189,832
Amortization of deferred financing fees	20,833	--	20,833
Share based compensation	2,036,704	--	2,036,704
Gain on sale of investment	(76,487)	--	(76,487)
Gain on sale of discontinued operations	(2,234,974)	--	(2,234,974)
Change in assets and liabilities:			
Security deposits	--	(7,548)	(7,548)
Accounts payable	--	39,141	287,432
Accrued expenses	103,180	--	(10,515)

Net cash provided by (used in) investing activities	(680,872)	(402,287)	(1,437,527)

Cash flow from investing activities:			
Purchase of property and equipment	--	(154,491)	(156,977)
Proceeds from sale of investment	326,917	--	326,917
Cash assumed by GS CleanTech	(7,736)	--	(7,736)
Acquisition of technology license	--	(50,000)	(50,000)

Cash provided by (used in) investing activities	319,181	(204,491)	112,204

Cash flows from financing activities:			
Proceeds from convertible debt	1,000,000	--	1,000,000
Advances from (payments to) related parties, net	(638,497)	684,546	325,323

	361,503	684,546	1,325,323
Net increase in cash			
Cash at beginning of the period	(188)	77,768	--
Cash at end of the period	188	--	--

	\$ --	\$ 77,768	\$ --
	=====		

Supplemental Schedule of Non-Cash Investing and Financing Activities

Issuance of GS Carbon Trading, Inc. shares in exchange for the transfer of holdings in cost and equity method investments	\$	--	\$	--	\$	107,134
Directview, Inc. net liabilities assumed, Oct. 9, 2006	\$	--	\$	--	\$	2,645,360
Acquisition of technology license	\$	191,427	\$	211,328	\$	402,755
Discounts on convertible debt	\$	712,125	\$	--	\$	712,125
Conversion of convertible debt into common stock	\$	688,956	\$	--	\$	688,956
Conversion of preferred stock in common stock	\$	2	\$	--	\$	2
Conversion of common stock in preferred stock	\$	2	\$	--	\$	2
Related party receivable / Convertible debenture payable Note 4)	\$	500,000	\$	--	\$	500,000
Acquisition of fixed assets	\$	5,346	\$	--	\$	5,346
Deferred financing fees	\$	125,000	\$	--	\$	125,000

The notes to the consolidated condensed financial statements
are an integral part of these statements.

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SEAWAY VALLEY CAPITAL COPORATION (F/K/A GS CARBON CORPORATION)
A DEVELOPMENT STAGECOMPANY
NOTES TO CONDENSED CONSOLIDATED STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND
THE PERIOS OF INCEPTION (JANUARY 14, 2006) TO SEPTEMBER 30, 2006
(UNAUDITED)

Note 1 - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-QSB and Rule 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all normal recurring adjustments considered necessary for a fair statement of the results of operations have been included. The results of operations for the nine months ended September 30, 2007 are not necessarily indicative of the results of operations for the full year. When reading the financial information contained in this Quarterly Report, reference should be made to the financial statements, schedule and notes contained in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2006.

Note 2 - DESCRIPTION OF BUSINESS

BASIS OF PRESENTATION, ORGANIZATION AND OTHER MATTERS

On October 9, 2006, DirectView, Inc. ("DirectView"), acquired all of the outstanding capital stock of GS Carbon Trading, Inc. GS Carbon Trading became a wholly owned subsidiary of DirectView. The business of GS Carbon Trading, Inc. is the only business of DirectView after the acquisition.

DirectView completed its Subsidiary Stock Purchase Agreement between the DirectView and DirectView Holdings, Inc. ("DR Holdings") pursuant to the Share Purchase Agreement with GS Energy Corporation ("GS Energy") immediately prior to

the acquisition of GS Carbon Trading, Inc. DR Holdings agreed to accept and assume all the outstanding capital stock of the DirectView's subsidiaries together with all of the liabilities and obligations of the DirectView's subsidiaries arising prior to the closing of the Share Purchase Agreement with GS Energy.

DirectView, Inc. was originally incorporated under the laws of the Commonwealth of Massachusetts on June 12, 1989 with the name "Boston & Pacific Company Inc." On May 5, 2003, DirectView changed its domicile from the Commonwealth of Massachusetts to the State of Nevada and changed its name to DirectView, Inc. DirectView was a full-service provider of teleconferencing services to businesses and organizations.

GS Carbon Trading, Inc. was incorporated under the State of Delaware with on August 30, 2006. GS Carbon Trading, Inc. was a development stage company that owned two cost method investments and one equity method investment.

The Company accounted for the acquisition of GS Carbon Trading, Inc. by the Company on October 9, 2006 as a recapitalization. The recapitalization was the merger of a private operating company (GS Carbon Trading, Inc.) into a non-operating public shell corporation (DirectView) with nominal net assets and as such is treated as a capital transaction, rather than a business combination. As a result no Goodwill is recorded. The transaction is the equivalent to the issuance of stock by the private company for the net monetary assets of the shell corporation. The pre acquisition financial statements of GS Carbon Trading, Inc. are treated as the historical financial statements of the consolidated companies.

On October 23, 2006 GS Carbon acquired General Ultrasonics from its parent Greenshift Corporation for the assumption of the liabilities and General Ultrasonics' ongoing cash needs. The acquisition was treated as a common control acquisition under the provisions of Appendix D of SFAS No. 141, Business Combinations.

Effective on November 27, 2006, DirectView, Inc., a Nevada corporation, reincorporated in the State of Delaware by merging with and into GS Carbon Trading, Inc., who changed there name to GS Carbon Corporation, a Delaware corporation which was a wholly owned subsidiary of DirectView. As a result of the merger, GS Carbon Corporation is the surviving corporation; the name of the surviving corporation is GS Carbon Corporation; and the Certificate of Incorporation and Bylaws of GS Carbon Corporation are the Certificate of Incorporation and Bylaws of the surviving corporation.

The Merger Agreement provided that each two hundred and fifty (250) shares of common stock, \$.0001 par value, of DirectView outstanding prior to the merger would be converted into one (1) share of common stock, \$.0001 par value, of GS Carbon Corporation. Each share of preferred stock, \$.001 par value, of each series of DirectView outstanding prior to the merger was converted into one

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share of preferred stock of the comparable series of GS Carbon Corporation. No other changes were effected with respect to the registrant or its capitalization.

On February 26, 2007, the Company formed new subsidiary called General Carbonics Corporation ("GCC").

On July 1, 2007, Seaway Capital, Inc. acquired GreenShift's entire controlling stake in GS Carbon Corporation in return for the assumption of \$498,074 legacy debt and \$1,117,719 Highgate debt. As part of that transaction, GS Carbon's historical operating businesses were acquired by GreenShift Corporation affiliate, GS CleanTech Corporation (See Note 7).

Thomas W. Scozzafava, the founder and President of Seaway Capital, Inc., was named the new President, CEO and CFO of the GS Carbon, and on August 16, 2007, the GS Carbon renamed "Seaway Valley Capital Corporation" (the "Company").

Seaway Capital Partners, LLC (the predecessor to Seaway Capital Inc.) ("Seaway Capital") was formed in 2002 as a money management, venture capital, and leveraged buyout company. Seaway Capital's business plan is to invest in majority and minority equity stakes and to enter into mezzanine debt agreements with various operating companies. Returns are intended to be in the form of the eventual share appreciation and dispossession of those equity stakes and income from loans made to businesses.

Seaway Capital makes equity, equity-related, and debt investments in companies that require expansion capital and in companies pursuing acquisition strategies. Seaway Capital also seeks investments in leveraged buyouts and restructurings. Seaway Capital will consider investment opportunities in a number of different industries, including retail, restaurants, media, business services, and manufacturing. Seaway Capital will also consider select technology investments.

On July 1, 2007 the Company sold 100% of the capital stock of GS Carbon Trading, Inc., which owns certain cost and equity method investments, to GS CleanTech Corporation in return for the assumption by GS CleanTech of a \$1,125,000 convertible debenture. (See Note 7)

Development Stage Company

The Company is a development stage company originally founded to facilitate decarbonization in ways that cost-effectively capitalize on the evolving carbon markets. GS Carbon's ambition was to affect reductions in the carbon intensity of energy consumption by investing in carbon trading, developing and commercializing advanced new decarbonization technologies, and by developing and owning renewable energy production assets. On July 1, 2007 the Company changed its business model and plans to make equity related and debt investments in companies that require expansion capital and in companies pursuing acquisition strategies. Since its formation the Company has not realized any significant revenues from its planned operations. The Company's primary activities since incorporation have been conducting research and development, performing business and strategic and financial planning.

Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Derivative Financial Instruments

Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and EITF Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," require all derivatives to be recorded on the balance sheet at fair value. The embedded derivatives are separately valued and accounted for on our balance sheet with changes in fair value recognized during the period of change as a separate component of other income/expense. Fair values for exchange-traded securities and derivatives are based on quoted market prices. The pricing model used for determining the fair value of our derivatives is the Black Scholes Pricing Model. Valuations derived from this model are subject to ongoing internal and external verification and review. The model uses market-sourced inputs such as interest rates and stock price volatilities. Selection of these inputs involves management's judgment and may impact net income.

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Net Loss per Common Share

In accordance with SFAS No. 128, "Earnings Per Share," Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net loss adjusted for income or loss that would result from the assumed conversion of potential common shares from contracts that may be settled in stock or cash by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. The Company had no outstanding warrants at September 30, 2007 (See Note 7).

The following table sets forth the computation of basic and diluted loss per share:

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	Period of inception			
	Nine Months		(January 14,	
	Three Months Ended		Ended	2006) to
	September 30,	September 30,	September 30,	September 30,
	2007	2006	2007	2006

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Numerator:				
<S>	<C>	<C>	<C>	<C>
Net income (loss) - basic and diluted	\$ 5,422,357	\$ (230,043)	\$ (4,019,847)	\$ (453,479)
Denominator:				
Weighted average shares - basic	427,812,861	1,000	291,214,058	1,000
Effect of dilutive stock options and warrants	--	--	--	--
Denominator for diluted earnings per share ..	427,812,861	1,000	291,214,058	1,000

Basic and diluted loss per share:

Continuing operations	\$	0.01	\$	--	\$	(0.01)	\$	--
Discontinued operations	\$	0.00	\$	(230.04)	\$	(0.01)	\$	(453.48)

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 clarifies the principal that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy. SFAS 157 is effective for the Company on January 1, 2008. The Company is in the process of evaluating SFAS 157 but does not believe it will have a significant effect on its financial position or results of operation.

In February 2007, the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115 ("SFAS 159"). SFAS 159 permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS 159 are elective, however, the amendment to SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities", applies to all entities with available for sale or trading securities. SFAS 159 is elective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. SFAS 159 was recently issued and the Company is currently assessing the financial impact the statement will have on our financial statements.

Note 4 - CONVERTIBLE DEBENTURES PAYABLE - LONG TERM

On March 23, 2006, DirectView entered into a Securities Purchase Agreement (the "Agreement"), with Cornell Capital Partners, LP, ("Cornell"), and Highgate (Cornell and Highgate collectively, "Buyers"). In connection with this Agreement, Highgate converted old debentures for conversion into new 10% Secured Convertible Debentures amounting to \$1,062,329 (including accrued interest of \$62,329) and Cornell purchased additional secured convertible debentures amounting to \$150,000 for the total purchase price of \$1,212,329 (the "Purchase

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Price"). The debentures are due on March 23, 2009. In connection with the Agreement, DirectView paid Yorkville Advisors LLC a fee equal to \$15,000 and a structuring fee to Yorkville Advisors LLC of \$5,000 from the proceeds of the Closing. Accordingly, DirectView received net proceeds of \$130,000.

Each of the 10% Secured Convertible Debentures provides for interest in the amount of 10% per annum and are convertible at the lesser of \$0.015 or 85% of the lowest closing bid price of DirectView's common stock during the 10 trading days immediately preceding the conversion date. Accrued interest that is not paid by the fifth trading day after any conversion of the principal of the debentures may be converted by Cornell and Highgate into the Company's common stock based on the conversion terms applicable to the principal on the convertible debentures.

The Company at its option shall have the right, with three (3) business days advance written notice (the "Redemption Notice"), to redeem a portion or all amounts outstanding under the 10% Secured Debenture prior to the Maturity Date provided that the Closing Bid Price of the Company's common stock, as reported by Bloomberg, LP, is less than the Fixed Conversion Price at the time of the Redemption Notice. The Company shall pay an amount equal to the principal amount being redeemed plus a redemption premium ("Redemption Premium") equal to twenty percent (20%) of the principal amount being redeemed, and accrued interest, (collectively referred to as the "Redemption Amount").

In connection with this Agreement, the Company issued to the Buyer warrants to purchase 1,636,000 shares of the Company's Common Stock (the "Warrants") in such amounts as set forth on below (See Note 7 for subsequent cancellation of unexercised warrants)

Number of warrants	Exercise price per share
400,000	\$ 2.50
660,000	\$ 0.875
576,000	\$ 1.00
1,636,000	

In order to secure its obligations under the secured convertible debenture and related documents, the Company has granted the debenture holders a security interest in all of its assets and property, and the Company has pledged 1,000,000 shares of its common stock. A certificate representing the pledged shares together with a stock power has been deposited in escrow with a third party. If the Company should default under the Securities Purchase Agreement, 10% convertible secured debentures or the related transactional documents, Highgate is entitled to voting, dividend and other rights over these pledged shares, and may take possession of and sell the pledged shares to satisfy the Company's obligations to the debenture holders. A foreclosure by Highgate of the pledged shares could result in a change of control of the Company. Upon the satisfaction or conversion of the secured convertible debentures, the pledged shares will be returned to the Company for cancellation and return to its treasury.

Under the terms of the Securities Purchase Agreement, secured convertible debentures and warrants, no conversion of the debentures or exercise of the warrants may occur if a conversion or exercise would result in Highgate and any of its affiliates beneficially owning more than 4.99% of the Company's outstanding common shares following such conversion or exercise. Highgate may waive this provision upon 65 days prior notice to the Company.

The Company determined that the conversion feature of the convertible debentures represents an embedded derivative since the debentures are convertible into a variable number of shares upon conversion. Accordingly, the convertible debentures are not considered to be conventional debt under EITF 00-19 and the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability. The Company believes that the aforementioned embedded derivative meets the criteria of SFAS 133 and EITF 00-19, and should be accounted for as a derivative with a corresponding value recorded as liability. Accordingly, the fair value of these derivative instruments has been recorded as a liability on the consolidated balance sheet. The change in the fair value of

the liability for derivative contracts will be credited to other income/ (expense) in the consolidated statements of operations. The \$1,212,329 face amount of the debentures were stripped of their conversion feature due to the accounting for the conversion feature as a derivative, which was recorded using the residual proceeds method, whereby any remaining proceeds after allocating

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the proceeds to the warrants and conversion option would be attributed to the debt. The beneficial conversion feature (an embedded derivative) included in this debenture resulted in an initial debt discount of \$1,192,329 and an initial loss on the valuation of derivative liabilities of \$262,219. At September 30, 2007, the convertible debenture balance was \$150,000 after Highgate converted their entire convertible debenture balance of \$1,062,329 plus accrued interest of \$141,716 into 393,870,483 shares of the Company's common stock (See Note 7). At September 30, 2007, the derivative liability on the Cornell debt calculated using the Black-Scholes model was \$162,101. For the three and nine months periods ended September 30, 2007 the unrealized gain on the conversion derivative on the Highgate debt was \$3,285,213 and \$396,232 respectively.

On October 9, 2006, the Company assumed \$255,077 Convertible Debenture from Candent Corporation ("Candent"). The Convertible Debenture provides for no interest and is convertible into the Company's common stock at the lesser of (a) 0.001 per share or (b) the amount of this debenture to be converted divided by 90% of the closing market price of the Maker's common stock for the day prior to the date of the exercise of such conversion right. Candent will be entitled to convert the debenture on the basis of the conversion price into the Company's common stock, provided that Candent cannot convert into shares that would cause Candent to own more 4.9% of the Company's outstanding common stock. The Candent debenture matured on December 31, 2006. As of September 30, 2007 the Company has not been notified by Candent to demand payment of the convertible debenture.

During July 2007, Candent converted \$25,508 into 25,507,700 of the Company's common stock (See Note 6). At September 30, 2007 the Candent convertible debenture liability was \$229,569. During October 2007, the remaining \$229,569 convertible debentures was purchased by Cornell. The former president of Candent is the wife of the Company's former Chief Executive Officer.

On October 9, 2006, the Company assumed two additional Convertible Debentures of \$157,948 from a former officer of the Company and \$85,049 from Candent. The Convertible Debentures provide for no interest and are convertible into the Company's common stock at the lesser of (a) \$0.001 per share or (b) the lowest price per share at which the Company's common stock is or has been issued upon the conversion of any derivate security into the Company's common stock or (c) the amount of each debenture to be converted divided by 90% of the closing market price of the Company's common stock for the day prior to the date of the exercise of such conversion right. Each holder will be entitled to convert their debenture on the basis of the conversion price into the Company's common stock, provided that each holder cannot convert into shares that would cause that holder to own more than 4.9% of the Company's outstanding common stock. Each debenture matured on December 31, 2006. During February 2007 Candent purchased \$25,000 of the former officer debenture and Cornell purchased the Candent debenture of \$85,049 and the remaining balance on the former officer's debenture or \$132,948. The terms of the purchased debentures were not changed. As of September 30, 2007 the Company has not been notified by Cornell or Candent to demand payment of the convertible debentures.

Subsequent to September 30, 2007, Candent converted \$25,000 into 25,000,000 shares and Cornell converted \$40,000 into 40,000,000 shares of the Company's common stock.

The Company determined that the conversion feature of the assumed convertible debentures represent an embedded derivative since the debentures are convertible into a variable number of shares upon conversion. Accordingly, the assumed convertible debentures are not considered to be conventional debt under EITF 00-19 and the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability. The embedded derivative feature created by the variable conversion meets the criteria of SFAS 133 and EITF 00-19, and should be accounted for as a separate derivative. At September 30, 2007 the fair value of the conversion derivative liability created by the assumed debentures calculated using the Black-Scholes model was \$51,214. For the three and nine months periods ended September 30, 2007 the unrealized gain (loss) on the derivative instrument created by this debenture was \$(38,966) and \$7,817, respectively.

On September 18, 2007, the Company entered into a \$500,000 Convertible Debenture ("September 2007 Debenture") Agreement with two individuals ("Holders"). The September 2007 debenture provides interest in an amount of 8% per annum and is convertible into the Company's common stock at the lesser of (a) 0.024 per share or (b) the amount of this debenture to be converted divided by 90% of the closing market price of the Maker's common stock for the day prior to the date of the exercise of such conversion right. Holder will be entitled to convert the debenture on the basis of the conversion price into the Company's common stock, provided that Holders cannot convert into shares that would cause Holder to own more 4.9% of the Company's outstanding common stock.

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The \$500,000 proceeds from the September 2007 debenture were received by Seaway Valley Fund, LLC ("Seaway"), a related party to the Company. Seaway is a wholly owned subsidiary of WiseBuys Stores Inc ("WiseBuys"). WiseBuys acquired Seaway in 2006 from Thomas Scozzafava and Dierdre Scozzafava. Thomas Scozzafava owned approximately 50% of the capital stock of WiseBuys prior to the acquisition of WiseBuys by the Company on October 23, 2007. The Company planned to use the proceeds from the debentures to assist with the Hackett transaction (See Note 8).

The Company determined that the conversion feature of the assumed convertible debentures represent an embedded derivative since the debentures is convertible into a variable number of shares upon conversion. Accordingly, the assumed convertible debentures are not considered to be conventional debt under EITF 00-19 and the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability. The embedded derivative feature created by the variable conversion meets the criteria of SFAS 133 and EITF 00-19, and should be accounted for as a separate derivative. At September 30, 2007 the fair value of the conversion derivative liability created by the assumed debentures calculated using the Black-Scholes model was \$63,173. For the three and nine months periods ended September 30, 2007 the unrealized loss on the derivative instrument created by this debenture was \$63,173.

The following assumptions were applied to all convertible debt:

September 30,
2007

Market price	\$0.03
Exercise prices	\$0.0157- \$0.027
Expected volatility	238.86%-308.67%
Expected dividends	None
Expected term (in days)	1-10
Risk-free interest rate	4.03%-4.26%

The convertible debentures liability is as follows at September 30, 2007:

Convertible debentures payable	\$ 1,036,122
Less: unamortized discount on debentures	71,729

Convertible debentures, net - Long term	\$ 964,393
	=====

Note 5 - INCOME TAXES

The Company currently files an income tax return in the U.S. federal jurisdiction as well as in New York. Tax returns for the year 2006 remain open for examination in various tax jurisdictions in which the Company and its subsidiaries operates or operated.

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-An Interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN 48"), on January 1, 2007. As a result of the implementation of FIN 48, the Company recognized no material adjustment in the liability for unrecognized income tax benefits. At the adoption date of January 1, 2007, and at September 30, 2007, there were no unrecognized tax benefits. Interest and penalties related to uncertain tax positions will be recognized in income tax expense. As of September 30, 2007, no interest related to uncertain tax positions had been accrued.

Note 6 - STOCKHOLDER'S EQUITY

The Company accounts for its share-based employee compensation arrangements under SFAS No. 123 (revised 2004), "Share Based Payment" ("SFAS 123R"), which

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requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements.

On January 4, 2007 the Company issued 130 shares of common stock to an employee for services provided. The fair value of the award was determined by the closing price of its stock on the issuance date. For the three and nine months periods ended September 30, 2007 the Company incurred \$0 and \$16 of shares based compensation, respectively, related to these issuance.

On January 16, 2007 the Company issued 6,914,892 shares of common stock to employees for services provided. The fair value of the awards was determined by the closing price of its stock on the issuance date. For the three and nine months periods ended September 30, 2007 the Company incurred \$0 and \$760,638 of shares based compensation, respectively, related to these issuance.

On February 26, 2007 GreenShift Corporation converted its 6,250 shares of its Series B Voting Preferred Stock into its Common Stock for \$1.

On February 26, 2007, the Company's additional Paid in Capital increased \$712,125 due to the discount taken on the Cornell Convertible Debenture for detachable warrants granted in conjunction with the financing.

On February 27, 2007 Highgate converted \$1,457 of its convertible debentures into 1,457,000 shares of its Common Stock

On March 2, 2007 Cornell Capital converted \$52,850 of its convertible debentures into 5,285,000 shares of its Common Stock

On March 21, 2007 Cornell Capital converted \$13,760 of its convertible debentures into 1,376,000 shares of its Common Stock

On March 29, 2007 the Company issued 35,000,000 shares of common stock to employees for services provided. The fair value of the awards was determined by the closing price of its stock on the issuance date. For the three and nine months period ended September 30, 2007 the Company incurred \$0 and \$1,050,000 of share based compensation, respectively, related to these issuance.

On April 18, 2007 GreenShift Corporation converted its 12,500 shares of its Series B Voting Preferred Stock into its Common Stock for \$20,083.

On May 8, 2007 the Company issued 40,500,000 shares of common stock to an employee for services provided. The fair value of the award was determined by the closing price of its stock on the issuance date. For the three and nine months periods ended September 30, 2007 the Company incurred \$0 and \$226,800 of share based compensation related to these issuance.

On May 14, 2007 the Company issued 2,500,000 shares of common stock to employees for services provided. The fair value of the awards was determined by the closing price of its stock on the issuance date. For the three and nine months periods ended September 30, 2007 the Company incurred \$0 and \$14,250 of share based compensation related to these issuance.

On May 14, 2007 an employee returned 500,000 shares of common stock, which were canceled by the Company. The common stock was issued for services provided on March 29, 2007. The Company reversed compensation expenses of \$15,000 on May 14, 2007.

On June 14, 2007 Highgate converted \$16,000 of its convertible debentures into 6,666,667 of its common stock.

On June 27, 2007 Highgate converted \$12,000 of its convertible debentures into 20,000,000 of its common stock.

On July 2, 2007 Highgate converted \$12,350 of its convertible debentures into 20,583,333 of its common stock.

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On July 12, 2007 the Company's majority shareholder, Seaway Capital, Inc., converted 308,234,884 shares of Company common stock into 21,750 shares of Company Series B preferred stock.

On July 12, 2007 Candent converted \$25,507 of its convertible debentures into

25,507,700 of its common stock.

On July 18, 2007 Highgate converted \$118,000 of its convertible debentures into 71,428,571 of its common stock.

On July 25, 2007 Highgate converted \$84,500 of its convertible debentures into 20,609,756 of its common stock.

On July 26, 2007 Highgate converted \$12,000 of its convertible debentures into 20,000,000 of its common stock.

On July 30, 2007 Highgate converted \$12,000 of its convertible debentures into 20,000,000 of its common stock.

On August 2, 2007 Highgate converted \$80,000 of its convertible debentures into 19,512,195 of its common stock.

On August 8, 2007 Highgate converted \$187,000 of its convertible debentures into 44,308,943 of its common stock.

On August 10, 2007 Highgate converted \$188,479 of its convertible debentures into 41,884,222 of its common stock.

On August 16, 2007 Highgate converted \$80,000 of its convertible debentures into 18,604,651 of its common stock.

On August 21, 2007 Highgate converted \$85,000 of its convertible debentures into 19,767,442 of its common stock.

On August 29, 2007 Highgate converted \$80,000 of its convertible debentures into 18,604,651 of its common stock.

On September 11, 2007 Highgate converted \$82,000 of its convertible debentures into 20,000,000 of its common stock.

On September 11, 2007, the Company issued 20,000,000 shares of its common stock to Cornell for one time cashless exercise of 20,000,000 warrants.

On September 20, 2007 Highgate converted \$11,543 of its convertible debentures into 2,355,714 of its common stock.

On September 20, 2007 Highgate converted \$141,716 of its convertible debentures into 28,087,339 of its common stock.

On September 28, 2007 Cornell converted \$79,783 of its convertible debentures into 79,783,000 of its common stock.

Note 7 - DISCONTINUED OPERATIONS

On July 1, 2007 GS Carbon completed the sale to GS CleanTech Corporation of the capital stock of GS Carbon Trading, Inc. GS Carbon Trading owns capital stock in Sterling Planet, Inc., Terra Pass, Inc., Air Cycle Corporation, General Ultrasonics Corporation and General Carbonics Corporation.

In exchange for the capital stock in GS Carbon Trading, GS CleanTech assumed liability to Cornell Capital Partners under certain Convertible Debentures in the principal amount of \$1,125,000 issued by GS Carbon to Cornell Capital

Partners.

On July 1, 2007 the Company recorded a gain on disposal of discontinued operations of \$2,234,974 computed as follows:

<PAGE>

Cash	\$ 7,736	
Property Plant and Equipment, net	140,205	
Security deposits	7,548	
Interest receivable - GreenShift	31,283	
Due from GreenShift	1,135,723	
Deferred financing cost, net	104,167	
Technology license, net	222,129	
Investment in Sterling Planet Inc.	1,685,333	
Investment in Air Cycle Corporation	303,078	

Total Assets Transferred		3,637,202

Accounts payable	317,850	
Accrued expenses	33,917	
Interest payable	37,500	
Interest payable - Greenshift	27,357	
Investment payable	191,427	
Due to Greenshift	531,986	
Due to Candent	616,000	
Due to GS Advance Application	5,100	
Due to GS Ethanol Technologies	238,306	
Due to GS Cleantech Ventures	25,000	
Due to related party	50,000	
Derivative liability	3,266,171	
Cornell debenture payable, net to discount of \$593,438		531,562

Total Liabilities Transferred		5,872,176

Net Gain on Disposal of Discontinued Operations \$2,234,974

=====

Results of discontinued operations for the three and nine months ended September 30, 2007 and the three months ended September 30, 2006 and the period of inception (January 14, 2006) to September 30, 2006 relate to the operations of GS Carbon Trading, Inc. The financial results included in discontinued operations are as follows:

<TABLE>

<CAPTION>

	Period of		Inception	
	Nine Months		(January 14,	
	Three Months Ended	Ended	2006) to	
	September 30,	September 30	September 30,2006	
	2007	2006	2007	2006

<S>	<C>	<C>	<C>	<C>
Revenue account	\$ --	\$ --	\$ 18,900	\$ --
Cost of revenue	--	--	(12,126)	--
SG&A expenses	--	(222,093)	(730,330)	(433,916)
Gain on investment	--	--	76,487	--
Interest income	--	--	31,283	--
<PAGE>				
Technology license written off	--	--	(189,832)	--
Amortization of financing cost	--	--	(20,833)	--
Unrealized loss on derivative instruments	--	--	(3,266,171)	--
Interest expenses	--	(7,950)	(156,188)	(19,663)
	-----	-----	-----	-----
Loss from discontinued operations, net of tax \$	--	\$ (230,043)	\$(4,248,810)	\$ (453,579)
	=====	=====	=====	=====

</TABLE>

In connection with the assumption of the \$1,125,000 Cornell convertible debentures by GS Cleantech, the Company, agreed to allow Cornell a one-time cashless exercise of 20,000,000 warrants into 20,000,000 shares of the Company's common stock. In addition Cornell and Highgate agreed to the cancellation of the 31,562,000 remaining warrants.

Note 8 - SUBSEQUENT EVENTS

Merger Agreement

On October 23, 2007, Seaway Valley Capital Corporation (the "Company") acquired all of the capital stock of WiseBuys Stores, Inc. ("WiseBuys"). In exchange for the WiseBuys shares, the Company issued to the shareholders of WiseBuys 1,458,236 shares of the Company's Series C Convertible Preferred Stock. The

Series C Shares each have a liquidation preference of \$4.00 (i.e. a total liquidation preference for the Series C shares of \$5,832,944). Four of the Series C shares can be converted into a share of common stock at 85% of the market price. The holders of the Series C shares will have voting rights and dividend rights equal to the common shares into which they can be converted. WiseBuys Stores, Inc., which was organized in 2003, owns and operates five retail stores in central and northern New York. It also owns a portfolio of minority investments indirectly through its wholly owned subsidiary, Seaway Valley Fund, LLC.

On May 24, 2007, WiseBuys entered into an agreement (the "Stock Purchase Agreement") with Patrick Hackett Hardware Company ("Hacketts") to acquire 100% of the outstanding stock of Hacketts for \$6 million included an up-front payment of \$2,000,000 and notes of \$500,000, \$1,000,000 and \$2,500,000 due nine months, twelve months and amortized years four through eight, respectively. On September 18, 2007, the Hacketts Merger Agreement was amended (the "Stock Purchase Agreement Amendment") to reduce the up-front payment to \$1,500,000 and to add an additional future payment of \$500,000 due at month fifteen. In addition as part of the closing the Company repaid in full a loan of approximately \$494,000. This transaction closed on November 7, 2007.

WiseBuys executed a debt guaranty agreement with Community bank with an effective date of November 7, 2007.

Note 9 - RESTATEMENT

The September 30, 2007 financial statements have been restated to include a management fee receivable and other income of \$96,226. On July 1, 2007, Seaway Valley Capital Corporation entered into an operating agreement with WiseBuys Stores, Inc. Pursuant to the agreement, Seaway Valley Capital Corporation assumed the role of fund manager of the Seaway Valley Fund, LLC, which is a wholly owned subsidiary of WiseBuys Stores, Inc. Based on the terms of the agreement, Seaway Valley Capital Corporation is compensated for its management services with a fee based on 2% of the net assets of the fund (calculated quarterly at a rate of 0.5% of the net assets) and a profit share of 20% of the profits generated in the fund. For the three months ended September 30, 2007, Seaway Capital Valley Corporation should have recorded management fee income of \$96,226 with a related receivable from the fund of \$96,226.

Thomas Scozzafava, the Chairman, Chief Executive Officer and Chief Financial Officer of Seaway Valley Capital Corporation, was also a majority shareholder of WiseBuys Stores, Inc. as of September 30, 2007. Subsequent to September 30, 2007, Seaway Valley Capital Corporation acquired 100% of the capital stock of WiseBuys Stores, Inc. See Note 8.

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The impact of the above restatement on the Company's financial results as originally reported are summarized below:

<TABLE>

<CAPTION>

Nine Months Ended
September 30, 2007
As Reported As Restated

	<C>	<C>
Assets	\$ 500,000	\$ 596,226

Deficit accumulated during the development	(5,059,824)	
stage	\$ (4,963,598)	
Net loss	\$(4,019,847)	\$(3,923,623)
Income (Loss) from continuing operations	\$(2,006,011)	\$(1,907,785)
Income (Loss) per share from continuing operations .	\$ (0.01)	\$ (0.01)
Income (Loss) per share from discontinued operations	\$ (0.01)	\$ (0.01)

</TABLE>

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Seaway Capital Partners, LLC was formed in 2002 by Thomas W. Scozzafava as a money management, venture capital, and leveraged buyout company. Among other investments, Seaway Capital Partners, LLC was the original founder of and investor in WiseBuys Stores, Inc. and managed the Seaway Valley Fund, LLC (the "Fund"), a stock and bond fund wholly owned by WiseBuys Stores, Inc.

On July 1, 2007, Mr. Scozzafava sold his stake in Seaway Capital Partners, LLC and formed Seaway Capital, Inc., which acquired GreenShift's entire controlling stake in GS Carbon Corporation in return for the assumption of \$498,074 legacy debt and \$1,117,719 Highgate debt. As part of that transaction, GS Carbon's historical operating businesses were acquired by GreenShift Corporation affiliate, GS CleanTech Corporation. By July 1, 2007, Seaway Valley Capital Corporation had negotiated and executed documents for the purchase of the majority of the capital stock and control of WiseBuys Stores, Inc. The transaction was later amended and consummated as a stock-for-stock merger rather than a purchase.

Additionally on July 1, 2007, Seaway Valley Capital Corporation assumed the role of Fund Manager of the Seaway Valley Fund, LLC, which is a wholly owned subsidiary of WiseBuys Stores, Inc. As the sole investment manager of the Fund, the Company made exclusive investment decisions regarding acquisition and dispossession of various securities in the Fund. At the time the Company assumed the management of the Fund on July 1, 2007, its assets totaled approximately \$1.83 million. On behalf of the Fund, the Company successfully negotiated and sold securities that generated gross proceeds of \$1.865 million with profits of approximately \$1.117. As outlined in the original Operating Agreement and later Modified Operating Agreement between the Fund and the Fund Manager, the Fund Manager is to be compensated with a fee based on a 2% of the annual assets of the Fund and a profit share of 20% of the profits generated in the Fund by the Fund Manager. As the Fund Manager the Company earned fees of \$ \$96,226 for the period ended September 30, 2007.

BUSINESS RISK FACTORS

There are many important factors that have affected, and in the future could affect, Seaway Valley Capital Corporation's business, including but not limited to the factors discussed below, which should be reviewed carefully together with other information contained in this report. Some of the factors are beyond our control and future trends are difficult to predict.

The issuance of shares under our convertible debentures agreements could increase the total common shares outstanding by 7%.

While the debentures are subject to restrictions on conversion, upon default the

holders of the debentures could convert such debentures into approximately 43,975,391 shares based on the market price on September 30, 2007. Such issuances would reduce the percentage of ownership of our existing common stockholders and could, among other things, depress the price of our common stock. This result could detrimentally affect our ability to raise additional equity capital. In addition, the sale of these additional shares of common stock may cause the market price of our stock to decrease.

Seaway Valley Capital Corporation is not likely to hold annual shareholder meetings in the next few years.

Delaware corporation law provides that members of the board of directors retain authority to act until they are removed or replaced at a meeting of the shareholders. A shareholder may petition the Delaware Court of Chancery to direct that a shareholders meeting be held. But absent such a legal action, the board has no obligation to call a shareholders meeting. Unless a shareholders meeting is held, the existing directors elect directors to fill any vacancy that occurs on the board of directors. The shareholders, therefore, have no control over the constitution of the board of directors, unless a shareholders meeting is held. Management does not expect to hold annual meetings of shareholders in the next few years, due to the expense involved. Thomas Scozzafava, who is currently the sole director of Seaway Valley Capital Corporation, was appointed to that position by the previous directors. If other directors are added to the Board in the future, it is likely that Mr. Scozzafava will appoint them. As a result, the shareholders of Seaway Valley Capital Corporation will have no effective means of exercising control over the operations of Seaway Valley Capital Corporation.

Investing in our stock is highly speculative and you could lose some or all of your investment.

The value of our common stock may decline and may be affected by numerous market conditions, which could result in the loss of some or the entire amount invested in our stock. The securities markets frequently experience extreme price and volume fluctuations that affect market prices for securities of companies generally and very small capitalization companies such as us in particular.

The volatility of the market for Seaway Valley Capital Corporation common stock may prevent a shareholder from obtaining a fair price for his shares.

The common stock of Seaway Valley Capital Corporation is quoted on the OTC Bulletin Board. It is impossible to say that the market price on any given day reflects the fair value of Seaway Valley Capital Corporation, since the price sometimes moves up or down by 50% or more in a week's time. A shareholder in Seaway Valley Capital Corporation who wants to sell his shares, therefore, runs the risk that at the time he wants to sell, the market price may be much less than the price he would consider to be fair.

Our common stock qualifies as a "penny stock" under SEC rules which may make it more difficult for our stockholders to resell their shares of our common stock.

Our common stock trades on the OTC Bulletin Board. As a result, the holders of our common stock may find it more difficult to obtain accurate quotations concerning the market value of the stock. Stockholders also may experience greater difficulties in attempting to sell the stock than if it were listed on a stock exchange or quoted on the NASDAQ National Market or the NASDAQ Small-Cap Market. Because our common stock does not trade on a stock exchange or on the

NASDAQ National Market or the NASDAQ Small-Cap Market, and the market price of the common stock is less than \$5.00 per share, the common stock qualifies as a "penny stock." SEC Rule 15g-9 under the Securities Exchange Act of 1934 imposes additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as an "established customer" or an "accredited investor." This includes the requirement that a broker-dealer must make a determination on the appropriateness of investments in penny stocks for the customer and must make special disclosures to the customer concerning the risks of penny stocks. Application of the penny stock rules to our common stock affects the market liquidity of the shares, which in turn may affect the ability of holders of our common stock to resell the stock.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

BUSINESS RISK FACTORS (continued)

Only a small portion of the investment community will purchase "penny stocks" such as our common stock.

Seaway Valley Capital Corporation common stock is defined by the SEC as a "penny stock" because it trades at a price less than \$5.00 per share. Seaway Valley Capital Corporation common stock also meets most common definitions of a "penny stock," since it trades for less than \$1.00 per share. Many brokerage firms will discourage their customers from purchasing penny stocks, and even more brokerage firms will not recommend a penny stock to their customers. Most institutional investors will not invest in penny stocks. In addition, many individual investors will not consider a purchase of a penny stock due, among other things, to the negative reputation that attends the penny stock market. As a result of this widespread disdain for penny stocks, there will be a limited market for Seaway Valley Capital Corporation common stock as long as it remains a "penny stock." This situation may limit the liquidity of your shares.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

FORWARD LOOKING STATEMENTS

In addition to historical information, this Quarterly Report contains forward-looking statements, which are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "estimates," "projects," or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the section entitled "Business Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect

management's opinions only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

RESULTS OF OPERATIONS FOR NINE MONTHS ENDED SEPTEMBER 30, 2007

Seaway Capital Partners, LLC was formed in 2002 by Thomas W. Scozzafava as a money management, venture capital, and leveraged buyout company. Among other investments, Seaway Capital Partners, LLC was the original founder of and investor in WiseBuys Stores, Inc. and managed the Seaway Valley Fund, LLC (the "Fund"), a stock and bond fund wholly owned by WiseBuys Stores, Inc.

On July 1, 2007, Mr. Scozzafava sold his stake in Seaway Capital Partners, LLC and formed Seaway Capital, Inc., which acquired GreenShift's entire controlling stake in GS Carbon Corporation. As part of that transaction, GS Carbon's historical operating businesses were acquired by GreenShift Corporation affiliate, GS CleanTech Corporation. By July 1, 2007, Seaway Valley Capital Corporation had negotiated and executed documents for the purchase of the majority of the capital stock and control of WiseBuys Stores, Inc. The transaction was later amended and consummated as a stock-for-stock merger rather than a purchase.

Additionally on July 1, 2007, Seaway Valley Capital Corporation assumed the role of Fund Manager of the Seaway Valley Fund, LLC, which is a wholly owned subsidiary of WiseBuys Stores, Inc. As the sole investment manager of the Fund, the Company made exclusive investment decisions regarding acquisition and dispossession of various securities in the Fund. At the time the Company assumed the management of the Fund on July 1, 2007, its assets totaled approximately \$1.83 million. On behalf of the Fund, the Company successfully negotiated and sold securities that generated gross proceeds of \$1.865 million with profits of approximately \$1.117. As outlined in the original Operating Agreement and later Modified Operating Agreement between the Fund and the Fund Manager, the Fund Manager is to be compensated with a fee based on a 2% of the annual assets of the Fund and a profit share of 20% of the profits generated in the Fund by the Fund Manager. As the Fund Manager the Company received fees of \$96,226 for the period ended September 30, 2007.

Effective August 16, 2007, the Company was renamed "Seaway Valley Capital Corporation."

Selling, General and Administrative Expenses

Selling, general and administrative expenses from continuing operations for the nine months ended September 30, 2007 were \$5,976 and for the three months ended September 30, 2007 were \$5,976.

Interest Expense and Financing Costs

Interest expenses and financing costs for the nine months ended September 30, 2007 were \$289,159 and for the three months ended September 30, 2007 were \$1,667.

Unrealized Loss on Derivative Instruments

For the three and nine months ended September 30, 2007 we recorded \$3,183,074 and \$313,876 of unrealized gains on derivative instruments, respectively. We have determined that the conversion feature of our convertible debentures

represents an embedded derivative since the debentures are convertible into a variable number of shares upon conversion. The unrealized gain on derivative instruments represent the change in the fair value of our derivative liability from December 31, 2006 for the nine months period and June 30, 2007 for the three months period. The unrealized gain increased during the period due to an increase in our stock price coupled with the conversion of \$1,062,329 Highgate debentures and assumption of \$1,125,000 convertible debentures by GS Cleantech.

Net Loss

Our net income for the three months and net loss for nine months periods ended September 30, 2007 were \$5,518,583 and (\$3,923,621), respectively. The net loss incurred was due to the expenses and other factors described above.

<PAGE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Liquidity and Capital Resources

Summary of 2007 Activities

The cash flow results for the nine months ended September 30, 2007 mainly reflect the discontinued operations relating to our former decarbonization business. At September 30, 2007 the Company had no cash. Subsequent to September 30, 2007 the Company acquired all of the Capital Stock of WiseBuys Stores Inc. in exchange for 1,458,236 shares of the Company's Series C convertible Preferred Stock and all of the Capital Stock of Patrick Hackett Hardware Company for \$6 million (\$2 million in cash and \$4 million in notes).

WiseBuys Summary

On October 23, 2007, Seaway Valley Capital Corporation acquired all of the capital stock of WiseBuys Stores, Inc. ("WiseBuys"). In exchange for the WiseBuys shares, the Company issued to the shareholders of WiseBuys 1,458,236 shares of the Company's Series C Convertible Preferred Stock. The Series C Shares each have a liquidation preference of \$4.00 (i.e. a total liquidation preference for the Series C shares of \$5,832,944). Four of the Series C shares can be converted into a share of common stock at 85% of the market price. The holders of the Series C shares will have voting rights and dividend rights equal to the common shares into which they can be converted.

WiseBuys Stores, Inc., which was organized in 2003, owns and operates five retail stores in central and northern New York. It also owns a portfolio of minority investments indirectly through its wholly-owned subsidiary, Seaway Valley Fund, LLC.

Hackett Acquisition

On November 9, 2007, WiseBuys Stores, Inc., on Wednesday completed its acquisition of Patrick Hackett Hardware Company. Hacketts, one of the nation's oldest retailers with roots dating back to 1830, is a full line department store specializing in name brand merchandise and full service hardware. At the time of the acquisition, Hacketts had five locations featuring brand name clothing for men, women, and children, and a large selection of athletic, casual, and work

footwear. Hacketts also carries domestics, home decor, gifts, seasonal merchandise and sporting goods. Hacketts full service hardware department features traditional hardware, tool, plumbing, paint and electrical departments.

Hacketts will be the surviving operating entity with all of the WiseBuys stores to be converted to and run under the "Hacketts" brand. After the store conversions, Hacketts will operate nine locations including Canton, Gouverneur, Hamilton, Massena, Ogdensburg, Potsdam, Pulaski, Tupper Lake, and Watertown - all in New York.

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ITEM 3. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our chief executive officer and chief financial officer participated in and supervised the evaluation of our disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by us in the reports that we file is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information required to be disclosed by us in the reports that we file or submit under the Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure. The Company's chief executive officer and chief financial officer determined that, as of the end of the period covered by this report, these controls and procedures are adequate and effective in alerting him in a timely manner to material information relating to the Company that are required to be included in the Company's periodic SEC filings.

The Company identified that there was a change in internal control over financial reporting (as defined in Rule 13a 15(f) promulgated under the Securities Exchange Act of 1934) due to the change in control of the Company at July 1, 2007 and factored this change in the evaluation described in the previous paragraph. The main change deals with different personnel involved with internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None during the nine months ended September 30, 2007

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following are exhibits filed as part of the Company's Form 10-QSB for the period ended September 30, 2007:

Exhibit Number	Description
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10.1	Second Amended Limited Liability Company Operating Agreement dated July 1, 2007 between Seaway Valley Capital Corporation and member WiseBuys Stores, Inc. regarding the Seaway Valley Fund, LLC.
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31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002..
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31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to the Sarbanes-Oxley Act of 2002.
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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the date indicated.

SEAWAY VALLEY CAPITAL CORPORATION

/S/ THOMAS SCOZZAFAVA

By: THOMAS SCOZZAFAVA
Chairman, Chief Executive Officer

and Chief Financial Officer

Date: February 7, 2008

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