

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC

Form 8-K

January 12, 2009

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-1004

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) January 12, 2009  
-----

REUNION INDUSTRIES, INC.

-----  
(Exact name of registrant as specified in its charter)

DELAWARE 01-15739 06-1439715  
-----  
(State of Incorporation) (Commission File No.) (IRS Employer ID No.)

11 STANWIX STREET, SUITE 1400  
PITTSBURGH, PENNSYLVANIA 15222

-----  
(Address of principal executive offices, including zip code)

(412) 281-2111

-----  
(Registrant's telephone number, including area code)

NOT APPLICABLE

-----  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of  
the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act  
(17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act  
(17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the

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Exchange Act (17 CFR 240.13e-4(c))

=====

## Item 8.01 - Other Events

As previously reported, on November 26, 2007 Reunion Industries, Inc. ("Reunion") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Connecticut, Bridgeport Division (the "Bankruptcy Court"). Reunion continues to operate as "debtor-in-possession" in that proceeding under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. Attached to and made a part of this Report is Reunion's Monthly Operating Report that was filed on December 31, 2008 with the Bankruptcy Court and the United States Trustee pursuant to Rule 2015 of the Federal Rules of Bankruptcy Procedure.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: January 12, 2009  
-----

REUNION INDUSTRIES, INC.  
(Registrant)

By: /s/ John M. Froehlich  
-----

John M. Froehlich  
Executive Vice President  
of Finance and Chief  
Financial Officer

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UNITED STATES BANKRUPTCY COURT  
BRIDGEPORT DIVISION - DISTRICT OF CONNECTICUT  
MONTHLY OPERATING REPORT

In re REUNION INDUSTRIES, INC.  
-----

Case No. 07-50727(AHWS)  
-----

Reporting Period: NOVEMBER 2008  
-----

Federal Tax I.D. # 06-1439715  
-----

## CORPORATE MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document	Explanation Attached	Attached
-----	-----	-----	-----	
Schedule of Cash Receipts and Disbursements	MOR-1		YES	N/A
Bank Reconciliations	MOR-1 (CON'T)	YES		N/A
Statement of Operations	MOR-2	YES		N/A
Balance Sheet	MOR-3	YES	N/A	
Status of Post-petition Taxes	MOR-4	YES	N/A	
Summary of Unpaid Post-petition Debts	MOR-4		YES	N/A
Accounts Receivable	MOR-5	YES	N/A	
Taxes Reconciliation & Aging	MOR-5	YES	N/A	
Payments -Insiders/Professionals	MOR-6	YES	N/A	
Post Petition Status of Secured Notes, Leases Payable	MOR-6	YES	N/A	
Debtor Questionnaire	MOR-7	YES	N/A	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Authorized Individual \s\ JOHN M. FROEHLICH, CFO Date DEC. 30, 2008  
-----

Authorized individual must be an officer, director or shareholder if debtor is a corporation.

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 1  
CASH RECEIPTS AND DISBURSEMENTS  
NOVEMBER 2008  
-----

CASE NO. 07-50727 (AHWS)  
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Cash - beginning of period excluding	\$ 6,991,604	
Plus: Collections on receivables		982,818
Plus: Miscellaneous/Titan receipts/China Dividend	71,015	
Less: Disbursements		
Net payroll		325,971
Payroll taxes		136,406
Titan disbursements		10,532
Other operating		1,203,357
Income Tax payments		-
Reorganization:		
Professional fees		-
U.S. Trustee fees		-
		-----
Total		1,676,266
Increase(Decrease) in outstanding checks	(173,386)	-----
Cash - end of period	\$ 6,542,557	=====

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 1  
BANK RECONCILIATION  
AS OF NOVEMBER 30, 2008  
-----

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	PNC BANK OPERATING 2161326	PNC BANK PAYROLL 2184149	PNC BANK HEALTHCARE 2880718	PNC BANK PENSION 10382890
Balance per books	\$ 20,272 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$ 95,156	\$ 0	\$ 21,828	\$ 710
Deposits in transit				
Outstanding checks	(74,884)	-	(21,828)	(710)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$ 20,272 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

("Adj. Bank Balance" must equal "Balance per books".)

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$55,156 in an overnight deposit account.

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 1  
BANK RECONCILIATION  
AS OF NOVEMBER 30, 2008  
-----

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	PNC BANK PENSION 1011567058	PNC BANK COLLATERAL 1019820572	PNC BANK CARVE-OUT 1019820847
Balance per books	\$ 0 =====	\$4,730,223 =====	\$1,508,747 =====
BANK BALANCE	\$ 5,811	\$4,730,233	\$1,508,747
Deposits in transit	0		
Outstanding checks	(5,811)		
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$4,730,223 =====	\$1,508,747 =====

("Adj. Bank Balance" must equal "Balance per books".)

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 1  
BANK RECONCILIATION  
AS OF NOVEMBER 30, 2008  
-----

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	FIFTH THIRD OPERATING 7512940417	FIFTH THIRD PAYROLL 1065629	Chase Operating 1690008469	Chase Royalty 1820765236
Balance per books	\$ 27,927 =====	\$ 0 =====	\$136,905 =====	\$ 118,484 =====
BANK BALANCE	\$ 274,274	\$ 0	\$136,905	\$ 122,515
Deposits in transit				
Outstanding checks	(246,347)		-	(4,031)
Other - explain below	-----	-----	-----	-----

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Adj. Bank Balance	\$ 27,927	\$ 0	\$136,905	\$ 118,484
	=====	=====	=====	=====

("Adj. Bank Balance" must equal "Balance per books".)

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 2  
INCOME STATEMENT  
FOR THE PERIODS INDICATED

CASE NO. 07-50727 (AHWS)

-----  
(\$ amounts in thousands)

	Month of Nov-08 -----	Post Petition to 30-Nov-08 -----
Net Sales	\$ 1,054	\$ 31,966
Cost of Sales:		
Standard Cost	799	23,438

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Variances & Other		257	2,608
		-----	-----
Gross Profit	(2)	5,920	
Operating Expenses:			
Marketing		47	1,003
General & Admin	321	3,767	
		-----	-----
Operating Profit		(370)	1,150
Other Income (Expense)	(150)	40,039	
Equity in China JV	92	878	
Reorganization exp:			
Professional fees		-	(339)
U.S. Trustee fees		-	(71)
Other			
Adequate Protection Paym't Exp.	-	(450)	
Interest Expense - excluding Adequate			
Protection Payments	(1)	(3,259)	
		-----	-----
Profit before tax		(429)	37,948
Income Tax		0	0
		-----	-----
Net Income		\$ (429)	\$ 37,948
		=====	=====

NOTE: Other income(expense) above primarily reflects the gain on the sale of the Company's CP Industries division in April of 2008.

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 3  
COMPARITIVE BALANCE SHEET  
AS OF THE PERIODS SHOWN

CASE NO. 07-50727 (AHWS)

-----  
(\$ amounts in thousands)

26-Nov-07

31-Oct-08

30-Nov-08

ASSETS:

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Cash and Equivalents	\$	754		\$	6,992		\$	6,542
Net Receivables		7,166			2,257			2,349
Net Inventory		12,369			1,876			1,947
Other Current Assets		3,029			2,185			2,296
			-----			-----		
Current		23,318			13,310			13,134
Net Property		6,300			3,509			3,484
Goodwill			10,994			1,491		1,491
CSV policies		2,200			2,195			2,195
Interest in China JV		3,009			3,795			3,887
			-----			-----		-----
Total	\$	45,821		\$	24,300		\$	24,191
			=====			=====		=====
LIABILITIES & EQUITY:								
Current Maturities of Debt	\$	0		\$	0		\$	0
Trade Payables		3,305			2,757			2,732
Accrued Income Taxes		0			11			11
Accrued Interest			544			653		660
Customer Deposits			4,424			0		0
Accrued Other		4,272			4,397			4,735
			-----			-----		-----
Current		12,545			7,818			8,138
Secured Debt and interest		53,418			500			500
Other Liabilities			3,101			624		624
			-----			-----		-----
Total Liabilities		69,064			8,942			9,262
Total Equity		(23,243)			15,358			14,929
			-----			-----		-----
Total	\$	45,821		\$	24,300		\$	24,191
			=====			=====		=====

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 4  
SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
AS OF NOVEMBER 30, 2008  
-----

CASE NO. 07-50727 (AHWS)  
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(\$ Amounts in 000's)

## TAXES:

-----

		Beg Liability	Accrued Paid	Liability	End
		-----	-----	-----	-----
NON-PAYROLL TAXES:					
Sales		\$ 0			\$ 0
Excise	\$ 0			\$ 0	
Real Property	\$ 0			\$ 0	
Personal Property		\$ 0			\$ 0

PAYROLL TAXES - See attached pages 2 to 3

-----

Amount due for payrolls in the last half of November 2008 - paid in December.	\$ 52
----------------------------------------------------------------------------------	-------

## DEBTS:

-----

		Days Past Due					
		-----					
	Current	0-30	31-60	61-90	Over 91	Total	
	-----	-----	-----	-----	-----	-----	
Accounts Payable	\$ 343	\$ 163	\$ 21	\$ 0	\$ 2,205	\$ 2,732	
Wages Payable	77						77
Taxes Payable	0						0
Rent-Building	0						0
Adequate Protection Paymts	0						0
Professional Fees	0	0	0	0	81		81
Amounts due Insiders	4	4	4	4	110	126	
	-----	-----	-----	-----	-----	-----	
Total	\$ 424	\$ 167	\$ 25	\$ 4	\$ 2,396	\$ 3,016	
	=====	=====	=====	=====	=====	=====	

## Explanations:

Wages represent hourly wages earned in the last half of November that were paid in December.

Professional fees are due Reid and Riege and are awaiting Bankruptcy Court approval.

Amounts due insiders represent post petition interest on note and guaranty fees.

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 4  
FIT/FICA TAX PAYMENTS and FUTA 940 TAX PAYMENTS  
NOVEMBER 2008  
-----

CASE NO. 07-50727 (AHWS)  
page 2/3

DATE PAID	REF	HANNA	HQ	TOTAL
----	---	-----	-----	
NOVEMBER				
03				0
04	941	35,917	11,004	46,921
05				0
06				0
07				0
10				0
11				0
12	941	15,175		15,175
13				0
14				0
17				0
18	941	34,965	11,047	46,012
19				0
20				0
21				0
24				0
25	941	14,279		14,279
26				0
27				0
28				0
		-----	-----	-----
TOTAL		100,336	22,051	122,387
		=====	=====	=====

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REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)  
 MONTHLY OPERATING REPORT - 4 page 3/3  
 PA., ILLINOIS, INDIANA AND WISCONSIN WITHHOLDING TAX PAYMENTS  
 NOVEMBER 2008  
 -----

DATE PAID ----	STATE -----	HANNA -----	HQ -----	TOTAL -----
NOVEMBER				
03	PA		1,168	1,168
04	IL	3,366		3,366
05				0
06				0
07				0
10				0
11				0
12	IL	1,535		1,535
13				0
14	WI	1,119		1,119
17				0
18				0
19	PA, IL	3,262	1,168	4,430
20	IN		75	75
21				0
24				0
25				0
26	IL	1,453		1,453
27				0
28	WI	873		873
		-----	-----	-----

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TOTAL	11,608	2,411	14,019
	=====	=====	=====

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 5  
ACCOUNTS RECEIVABLE AND TAXES AGING  
AS OF NOVEMBER 30, 2008  
-----  
(\$ Amounts in 000's)

CASE NO. 07-50727 (AHWS)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:  
-----

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Trade Receivables - beg of month	\$ 2,370	
Plus: Invoiced during the month	1,074	
Less: Amounts collected	(983)	
Less: Credits/Adjustments	-	
		-----
Trade Receivables - end of month	\$ 2,461	=====

## ACCOUNTS RECEIVABLE AGINGS:

0-30		\$ 1,162
31-60		1,010
61-90		161
91+		128
		-----
Total trade receivables		2,461
Non-trade receivables	33	
Less: Reserve for bad debts	(145)	
		-----
Net Receivables - per balance sheet	\$ 2,349	=====

## TAXES PAYABLE

Taxes from October payrolls - paid in Nov.	\$ 52	===
--------------------------------------------	-------	-----

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 6

CASE NO. 07-50727 (AHWS)

PAYMENTS TO INSIDERS and PROFESSIONALS and  
STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS

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NOVEMBER 2008

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Of the total disbursements shown on MOR-1, list the amount paid to insiders and to professionals. For payments to insiders, identify the type of compensation paid.

NAME	TYPE OF PAYM'T	PERIOD AMOUNT	PAID THIS	POST PETITION	TOTAL
-----	-----	-----	-----	-----	-----
INSIDERS:					
Thomas N. Amonett	Director fees	\$ 1,500		\$ 18,000	
Charles E. Bradley	Director fees	\$ 9,833	\$117,996		
Thomas L. Cassidy	Director fees	\$ 1,500		\$ 18,000	
David E. Jackson	Director fees	\$ 1,500		\$ 18,000	
Joseph C. Lawyer	Director fees	\$ 4,625		\$ 55,500	
John G. Poole	Director fees	\$ 5,000	\$ 60,000		
Kimball J. Bradley, CEO	Salary	\$32,627	\$391,524		
John M. Froehlich, CFO	Salary	\$18,255	\$219,060		
Thomas J. Vogel, VP	Salary	\$ 9,350	\$112,200		

PROFESSIONALS:

-----

	DATE OF COURT ORDER	AMOUNT APPROVED	PERIOD	PAID THIS PAID TO AMOUNT	TOTAL AND DATE	INCURRED UNPAID	TOTAL
	-----	-----	-----	-----	-----	-----	-----
Reid and Riege, PC	11/28/07	\$ 376,578	\$ -	\$ 376,578	\$80,982		

POST PETITION STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS:

-----

NAME OF CREDITOR	MONTHLY PAYM'TS DUE	MONTH	PAID DURING	POST PETITION
-----	-----	-----	-----	-----
SECURED NOTES: (Principal in default)				
ADEQUATE PROTECTION PAYMENTS:				
U.S. Bank, as Trustee	\$ 0	\$ 0	\$ 0	\$ 0

LEASES

-----

KWA Properties	\$ 70,198	\$ 70,198	\$ 0	0
IPC REIT - Stanwix Street Assoc	\$ 9,362	\$ 9,362	\$ 0	0
US Bancorp	\$ 2,890	\$ 2,890	\$ 0	0

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 7  
DEBTOR QUESTIONNAIRE  
NOVEMBER 2008  
-----

CASE NO. 07-50727 (AHWS)

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.

	YES
	---
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?	
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT THIS REPORTING PERIOD?	X
3. IS THE DEBTOR DELINQUENT IN THE TIMELY FILING OF ANY POST-PETITION TAX RETURNS?	
4. ARE WORKERS' COMPENSATION, GENERAL LIABILITY OR OTHER NECESSARY INSURANCE COVERAGES EXPIRED OR CANCELLED, OR HAS THE DEBTOR RECEIVED NOTICE OF EXPIRATION OR CANCELLATION OF SUCH POLICIES?	X
5. IS THE DEBTOR DELINQUENT IN PAYING ANY INSURANCE PREMIUM PAYMENT?	X
6. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	
7. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?	
8. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?	X
9. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?	X
10. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	
11. ARE ANY OTHER POSTPETITION TAXES PAST DUE?	X
12. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X
13. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?	X
14. ARE ANY WAGE PAYMENTS PAST DUE?	
15. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?	
16. IS THE DEBTOR DELINQUENT IN PAYING ANY U.S. TRUSTEE FEES?	X
17. IS THE DEBTOR DELINQUENT WITH ANY COURT ORDERED PAYMENTS TO ATTORNEYS OR OTHER PROFESSIONALS?	X
18. HAVE THE OWNERS OF SHAREHOLDERS RECEIVED ANY COMPENSATION OUTSIDE OF THE NORMAL COURSE OF BUSINESS?	X

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