

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC

Form 8-K

October 01, 2009

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) October 1, 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 September 22, 2009 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: October 1, 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: JULY 2009  
 -----

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

CORPORATE MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	FORM NO.	DOCUMENT ATTACHED	EXPLANATION 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 SEPT 16, 2009  
 -----

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  
 JULY 2009  
 -----

CASE NO. 07-50727 (AHWS)  
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Cash - beginning of period excluding	\$ 2,144,227
Plus: Collections on receivables	1,092,783
Plus: Miscellaneous/Titan receipts	376,307
Less: Disbursements	
Net payroll	313,274
Payroll taxes	133,735
Titan disbursements	33,547
Other operating	995,230
Income Tax payments	0
Reorganization:	
Professional fees	51,381
U.S. Trustee fees - quarterly	0
	-----
Total	1,527,167
	-----
Cash - end of period	\$ 2,086,150
	=====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF JULY 31, 2009  
 -----

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	\$105,698 =====	\$(2,468) =====	\$ 3,261 =====	\$ 0 =====
BANK BALANCE	\$ 253,966	\$ 0	\$ 20,396	\$ 710
Deposits in transit				
Outstanding checks	(148,268)	(2,468)	(17,135)	(710)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 105,698 =====	\$(2,468) =====	\$ 3,261 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF JULY 31, 2009  
 -----

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 =====	\$ 0 =====	\$1,517,096 =====
BANK BALANCE	\$ 5,610	\$ 0	\$1,517,096
Deposits in transit			
Outstanding checks	(5,610)		
Other - explain below			
Adj. Bank Balance	\$ 0 =====	\$ 0 =====	\$1,517,096 =====

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

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF JULY 31, 2009  
 -----

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	\$ 333,244 =====	\$ (29,089) =====	\$ 52,640 =====	\$ 105,768 =====
BANK BALANCE	\$ 439,444	\$ 0	\$ 53,522	\$ 109,846
Deposits in transit				
Outstanding checks	(106,200)	(29,089)	(882)	(4,078)
Other - explain below				

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	-----	-----	-----	-----
Adj. Bank Balance	\$ 333,244	\$ (29,089)	\$ 52,640	\$ 105,768
	=====	=====	=====	=====

("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 Jul-09 -----	Adjusted Post Petition to 30-Jul-09 -----
Net Sales	\$ 1,010	\$ 40,803
Cost of Sales:		



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Standard Cost	797	29,890
Variiances & Other	312	4,585
	-----	-----
Gross Profit	(99)	6,328
Operating Expenses:		
Marketing	45	1,603
General & Admin	264	7,049
	-----	-----
Operating Profit	(408)	(2,324)
Other Income (Expense)	2	40,245
Equity in China JV	8	1,148
Reorganization exp:		
Professional fees	(24)	(615)
U.S. Trustee fees	0	(81)
Adequate Protection Paym't Exp.	0	(450)
Interest (Expense) - excluding Adequate Protection Payments	(15)	(4,927)
	-----	-----
Profit before tax	(437)	32,996
Income Tax	0	(1,300)
	-----	-----
Net Income	\$ (437)	\$ 31,696
	=====	=====

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

CASE NO. 07-50727 (AHWS)

26-Nov-07

31-Jun-09

30-Jul-09

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	-----	-----	-----
ASSETS:			
Cash and Equivalents	\$ 754	\$ 2,144	\$ 2,087
Net Receivables	7,166	1,924	1,815
Net Inventory	12,369	2,412	2,133
Other Current Assets	3,029	1,630	1,745
	-----	-----	-----
Current	23,318	8,110	7,780
Net Property	6,300	3,383	3,367
Goodwill	10,994	1,491	1,491
CSV policies	2,200	1,990	1,990
Interest in China JV	3,009	4,149	4,157
	-----	-----	-----
Total	\$ 45,821	\$ 19,123	\$ 18,785
	=====	=====	=====
LIABILITIES & EQUITY:			
Current Maturities of Debt	\$ 0	\$ 0	\$ 0
Trade Payables	3,305	933	1,258
Accrued Income Taxes	0	11	11
Accrued Interest	544	1,262	1,254
Customer Deposits	4,424	0	0
Accrued Other	4,272	6,860	6,642
	-----	-----	-----
Current	12,545	9,066	9,165
Secured Debt and interest	53,418	0	0
Other Liabilities	3,101	1,184	1,184
	-----	-----	-----
Total Liabilities	69,064	10,250	10,349
Total Equity	(23,243)	8,873	8,436
	-----	-----	-----
Total	\$ 45,821	\$ 19,123	\$ 18,785
	=====	=====	=====

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SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
AS OF JULY 31, 2009

-----  
(\$ Amounts in 000's)

TAXES:

-----

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

PAYROLL TAXES - See attached page 2

-----

Payroll taxes in 2009 are being immediately paid to the Company's payroll service company who will pay and file the Company's payroll taxes.

DEBTS:

-----

	Days Past Due						
	Current	0-30	31-60	61-90	Over 91		Total
	-----	-----	-----	-----	-----		-----
Accounts Payable	\$ 632	\$ 285	\$ 103	\$ 0	\$ 238	\$ 1,258	
Wages Payable	71					71	
Taxes Payable	0					0	
Rent-Building	0					0	
Adequate Protection Paymts	0					0	
Professional Fees	24	0	172			196	
Amounts due Insiders	0	0	0	3	141	144	
	-----	-----	-----	-----	-----	-----	
Total	\$ 727	\$ 285	\$ 275	\$ 3	\$ 379	\$ 1,669	
	=====	=====	=====	=====	=====	=====	

Explanations:

Wages represent hourly wages earned in July that were paid in August.

Professional fees are due Reid and Riege.

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 AND  
 ALL STATE AND LOCAL WITHHOLDING TAX AND SUTA PAYMENTS  
 JULY 2009  
 -----

CASE NO. 07-50727 (AHWS)  
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DATE PAID ----	HANNA -----	HQ -----	TOTAL
01			0
02			0
03	12,499		12,499
06			0
07			0
08			0
09			0
10	12,718		12,718
13			0
14		11,525	11,525
15	23,280		23,280
16			0
17	13,015		13,015
20			0
21			0
22			0
23			0
24	13,960		13,960
27			0
28			0
29	22,991	11,250	34,241
30	12,497		12,497
31			0
TOTAL	----- 110,960 =====	----- 22,775 =====	----- 133,735 =====

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 5  
ACCOUNTS RECEIVABLE AND TAXES AGING  
AS OF JU67 31, 2009  
-----  
(\$ Amounts in 000's)

CASE NO. 07-50727 (AHWS)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:  
-----

Trade Receivables - beg of month	\$ 2,038
Plus: Invoiced during the month	1,012
Less: Amounts collected	(1,093)
Less: Credits/Adjustments	(4)
	-----
Trade Receivables - end of month	\$ 1,953
	=====

ACCOUNTS RECEIVABLE AGINGS:  
-----

0-30	\$ 981
------	--------

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31-60	566
61-90	253
91+	153
	-----
Total trade receivables	1,953
Non-trade receivables	0
Less: Reserve for bad debts	(138)
	-----
Net Receivables - per balance sheet	\$ 1,815
	=====

TAXES PAYABLE \$ -  
 ----- =====

Payroll taxes in 2009 are being immediately paid to the Company's payroll service company who will pay and file the Company's payroll taxes.

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REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)  
 MONTHLY OPERATING REPORT - 6  
 PAYMENTS TO INSIDERS and PROFESSIONALS and  
 STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS  
 JULY 2009

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	PAID THIS PERIOD AMOUNT	POST PETITION	TOTAL
-----	-----	-----	-----	-----
INSIDERS:				
-----				
Thomas N. Amonett	Director fees	\$ 0	\$ 19,500	
Charles E. Bradley	Director fees	\$ 9,833	\$196,660	
Thomas L. Cassidy	Director fees	\$ 0	\$ 19,500	
Thomas Certo	Director fees	\$ 1,500	\$ 10,500	
David E. Jackson	Director fees	\$ 1,500	\$ 30,000	

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Joseph C. Lawyer	Director fees	\$ 4,625	\$ 92,500
John G. Poole	Director fees	\$ 5,000	\$100,000
Kimball J. Bradley, CEO	Salary	\$32,627	\$652,540
John M. Froehlich, CFO	Salary	\$18,255	\$346,845
Thomas J. Vogel, VP	Salary	\$ 0	\$169,200

PROFESSIONALS:

-----

	DATE OF COURT ORDER	AMOUNT APPROVED	PAID THIS PERIOD PAID TO AMOUNT	TOTAL AND DATE	INCURRED UNPAID	TOTAL
	-----	-----	-----	-----	-----	
Reid and Riege, PC	11/28/07	\$ 846,323	\$ 51,381	\$ 696,192	\$196,106	

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

-----

NAME OF CREDITOR	MONTHLY PAYM'TS DUE	MONTH	PAID DURING	POST PETITION UNPAID	
-----	-----	-----	-----	-----	
SECURED NOTES:(Principal in default)					
ADEQUATE PROTECTION PAYMENTS:					
U.S. Bank, as Trustee	\$ 0		\$ 0	\$ 0	
LEASES					
-----					
KWA Properties	\$ 70,198		\$ 70,198	\$ 0	
IPC REIT - Stanwix Street Assoc	\$ 6,667		\$ 6,667	\$ 0	
US Bancorp	\$ 2,890		\$ 2,890	\$ 0	

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 7  
DEBTOR QUESTIONNAIRE  
JULY 2009  
-----

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.

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	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 THIS REPORTING PERIOD?		X
3. IS THE DEBTOR DELINQUENT IN THE TIMELY FILING OF ANY POST-PETITION TAX RETURNS?		X
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?		X
6. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
7. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
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?		X
11. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
12. 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?		X
15. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
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



