

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC  
Form 8-K  
April 04, 2008

=====

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) April 4, 2008  
-----

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

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

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 March 20, 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: April 4, 2008  
-----

REUNION INDUSTRIES, INC.  
(Registrant)

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

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

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

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

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

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

Reporting Period: FEB-08  
 -----

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 MAR 20, 2008  
 -----

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

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

- A-1 -

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

CASE NO. 07-50727 (AHWS)  
 page 1/5

Cash - beginning of period excluding lock-boxes		\$ 455,178
Plus: DIP borrowings	4,150,000	
Less: Disbursements		
Net payroll		623,373
Payroll taxes	314,227	
Steel purchases - CPI	743,842	
Titan disbursements	39,369	
Other operating		1,658,377
Reorganization:		
Professional fees		44,653
U.S. Trustee fees		0
Adequate Protection Payments	100,194	
		-----
	Total	3,524,035
Less: Outstanding checks	616,515	
		-----
Cash - end of period	\$ 464,628	=====

NOTE:

Cash above does not include amounts in the lock-box accounts for CPI and Hanna as these lock-box receipts are sent directly to Wachovia Bank under the DIP financing facility.

MEMO ONLY ITEMS:

Cash Receipts-book:		
Receivable collections	\$ 4,044,066	
Non-receivable receipts	0	
Receipts transferred to DIP bank	(4,050,935)	
		-----
	MEMO ONLY: Net activity	\$ (6,869)
		=====

DIP bank interest/fees charged directly	\$ 148,133	=====
---	------------	-------

- A-2 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF FEBRUARY 29, 2008  
 -----

CASE NO. 07-50727 (AHWS)  
 page 2/5

BANK TYPE ACCOUNT NUMBER	PNC BANK OPERATING 2161326	PNC BANK PAYROLL 2184149	PNC BANK HEALTHCARE 2880718	PNC BANK PENSION 10382890
Balance per books	\$456,750 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$625,099	\$ 0	\$ 49,878	\$ 10,172
Deposits in transit	0			
Outstanding checks	(178,349)	-	(49,878)	(10,172)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$456,750 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$595,099 in an overnight deposit account.

- A-3 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF FEBRUARY 29, 2008  
 -----

CASE NO. 07-50727 (AHWS)  
 page 3/5

BANK TYPE ACCOUNT NUMBER	PNC BANK PENSION 1011567058	PNC BANK WORK FUND 1896806	PNC BANK CPI-OP 1898000	PNC BANK CPI-PEN 1910807
Balance per books	\$ 0 =====	\$ 7,878 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$ 0	\$ 7,878	\$ 0	\$ 8,375
Deposits in transit	0			
Outstanding checks	0			(8,375)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$ 7,878 =====	\$ 0 =====	\$ 0 =====

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

- A-4 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF FEBRUARY 29, 2008  
 -----

CASE NO. 07-50727 (AHWS)  
 page 4/5

BANK TYPE ACCOUNT NUMBER	PNC BANK LOCK-BOX 1914007	PNC BANK CPI-PAY 1904706
Balance per books	\$ 89,654 =====	\$ 0 =====
BANK BALANCE	\$ 89,654	\$ 0
Deposits in transit		
Outstanding checks		
Other - explain below	-----	-----
Adj. Bank Balance	\$ 89,654 =====	\$ 0 =====

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

- A-5 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF FEBRUARY 29, 2008  
 -----

CASE NO. 07-50727 (AHWS)  
 page 5/5

BANK TYPE ACCOUNT NUMBER	FIFTH THIRD OPERATING 7512940417	FIFTH THIRD LOCK-BOX 1055011	FIFTH THIRD PAYROLL 1065629
Balance per books	\$ 0 =====	\$ 201,974 =====	\$ 0 =====
BANK BALANCE	\$ 369,741	\$ 201,974	\$ 0
Deposits in transit			
Outstanding checks	(369,741)		
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$ 201,974 =====	\$ 0 =====



Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

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

- A-6 -

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

CASE NO. 07-50727 (AHWS)

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

	Month of Feb 2008	Post Petition to 29-Feb-08
	-----	-----
Net Sales	\$ 5,234	\$ 14,409
Cost of Sales:		
Standard Cost	3,855	10,352
Variances & Other	256	690
	-----	-----
Gross Profit	1,123	3,367
Operating Expenses:		
Marketing	116	357

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

General & Admin	309	1,133
	-----	-----
Operating Profit	698	1,877
Other Income (Expense)	3	0
Equity in China JV	11	112
Reorganization exp:		
Professional fees		(66)
U.S. Trustee fees		(8)
Other		
Adequate Protection Paym't Exp.	(100)	(300)
Interest Expense - excluding Adequate Protection Payments	(481)	(1,661)
	-----	-----
Profit before tax	86	(46)
Income Tax		0
	-----	-----
Net Income	\$ 86	\$ (46)
	=====	=====

- A-7 -

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-Jan-08	29-Feb-08
	-----	-----	-----
ASSETS:			
Cash and Equivalents	\$ 754	\$ 455	\$ 757
Net Receivables	7,166	7,090	7,339
Net Inventory	12,369	13,517	12,399
Other Current Assets	3,029	1,726	2,356
	-----	-----	-----
Current	23,318	22,788	22,851
Net Property	6,300	6,232	6,174
Goodwill	10,994	10,994	10,994

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

CSV policies	2,200	2,194	2,194
Interest in China JV	3,009	3,110	3,121
	-----	-----	-----
Total	\$ 45,821	\$ 45,318	\$ 45,334
	=====	=====	=====
LIABILITIES & EQUITY:			
Current Maturities of Debt	\$ 0	\$ 0	\$ 0
Trade Payables	3,305	3,697	3,900
Accrued Income Taxes	0	11	11
Accrued Interest	544	579	721
Customer Deposits	4,424	3,094	2,243
Accrued Other	4,272	3,290	3,234
	-----	-----	-----
Current	12,545	10,671	10,109
Secured Debt and interest	53,418	54,494	54,984
Other Liabilities	3,101	2,768	2,770
	-----	-----	-----
Total Liabilities	69,064	67,933	67,863
	-----	-----	-----
Total Equity	(23,243)	(22,615)	(22,529)
	-----	-----	-----
Total	\$ 45,821	\$ 45,318	\$ 45,334
	=====	=====	=====

- A-8 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 4  
 SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
 AS OF FEBRURAY 29, 2008

CASE NO. 07-50727 (AHWS)  
 page 1/4

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

TAXES:  
 -----

	Beg		End
	Liability	Accrued Paid	Liability
	-----	-----	-----

NON-PAYROLL TAXES:

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

Sales		\$ 0		\$ 0
Excise	\$ 0		\$ 0	
Real Property	\$ 0		\$ 0	
Personal Property		\$ 0		\$ 0

PAYROLL TAXES - See attached pages 2 to 4

-----  
Amount due for payrolls in the last half of  
February 2008 - paid in March \$ 94

DEBTS:

-----

	Current	Days Past Due				Total
		0-30	31-60	61-90	Over 91	
Accounts Payable	\$ 964	\$ 483	\$ 183	\$ 607	\$ 1,663	\$ 3,900
Wages Payable	290					290
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protection Paymts	0					0
Professional Fees	0	107				107
Amounts due Insiders	15	15	18			48
	----	----	----	----	-----	-----
Total	\$1,269	\$ 605	\$ 201	\$ 607	\$ 1,663	\$ 4,345
	=====	=====	=====	=====	=====	=====

Explanations:

Wages represent hourly wages earned in the last half of February that were paid in March.

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.

- A-9 -

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

CASE NO. 07-50727 (AHWS)  
page 2/4

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

DATE PAID	REFERENCE NUMBER	CPI	HANNA	CPI MGT	HANNA MGT	HQ	TOTAL
FEB							
01	941 00272271			13,206.41	18,238.62	20,106.02	51,551.05
04							0.00
05	941 00147602	4,103.39	19,569.69				23,673.08
06							0.00
07	941 00641452	43,666.41					43,666.41
08							0.00
11							0.00
12	941 00094291		19,533.88				19,533.88
13							0.00
14							0.00
15							0.00
18							0.00
19							0.00
20	941 00124498	4,135.42	20,145.21	13,185.38	18,566.06	20,077.00	76,109.07
21	941 00934904	48,477.27					48,477.27
22							0.00
25							0.00
26	941 00582235		20,149.11				20,149.11
27							0.00
28							0.00
29							0.00
-----							
TOTAL		100,382.49	79,397.89	26,391.79	36,804.68	40,183.02	283,159.87
		=====	=====	=====	=====	=====	=====

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

- A-10 -

REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)  
 MONTHLY OPERATING REPORT - 4 page 3/4  
 PENNSYLVANIA, NORTH CAROLINA AND OHIO WITHHOLDING TAX  
 FEBRUARY 2008

DATE PAID	REFERENCE NUMBER	CPI	HANNA	CPI MGT	HANNA MGT	HQ	TOTAL
FEB							
01	OH 6445072	757.31					757.31
02	PA 17682	5,221.46		1,378.48		1,644.38	8,244.32
05							0.00
06							0.00
07							0.00
08							0.00
11							0.00
12							0.00
13							0.00
14							0.00
15							0.00
18							0.00
19							0.00
20							0.00
21	PA 64727	7,036.33				1,644.38	8,680.71
22							0.00
25							0.00
26							0.00
27							0.00
28							0.00
29							0.00
TOTAL		13,015.10	0.00	1,378.48	0.00	3,288.76	17,682.34

- A-11 -

REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)  
 MONTHLY OPERATING REPORT - 4 page 4/4  
 ILLINOIS, INDIANA, WISCONSIN AND NEW YORK WITHHOLDING TAX  
 FEBRUARY 2008  
 -----

DATE PAID	REFERENCE NUMBER	CPI	HANNA	CPI MGT	HANNA MGT	HQ	TOTAL
FEB							
01							0.00
04							0.00
05							0.00
06	IL 17403		1,582.84		1,923.48		3,506.32
07							0.00
08							0.00
11							0.00
12							0.00
13	IL 71983		1,945.66				1,945.66
14							0.00
15	WI 03203608586		635.86		421.53		1,057.39
18							0.00
19							0.00
20	IN 17577					75.07	75.07
21	IL 64619		1,956.15		1,614.29		3,570.44
22							0.00
25							0.00
26							0.00
27	IL 15977		1,955.65				1,955.65
28							0.00
29	WI 04603633374		852.02		422.45		1,274.47

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

TOTAL	----- 0.00 =====	----- 8,928.18 =====	----- 0.00 =====	----- 4,381.75 =====	----- 75.07 =====	----- 13,385.00 =====
-------	------------------------	----------------------------	------------------------	----------------------------	-------------------------	-----------------------------

- A-12 -

REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 5  
ACCOUNTS RECEIVABLE AND TAXES AGING  
AS OF FEBRURAY 29, 2008  
-----

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:  
-----



Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

Trade Receivables - beg of month		\$ 7,164	
Plus: Invoiced during the month	4,305		
Less: Amounts collected		(4,044)	-----
Trade Receivables - end of month		\$ 7,425	=====

ACCOUNTS RECEIVABLE AGINGS:

-----			
0-30		\$ 3,825	
31-60		2,725	
61-90		737	
91+		138	
			-----
Total trade receivables		7,425	
Non-trade receivables		38	
Less: Reserve for bad debts		(124)	-----
Net Receivables - per balance sheet		\$ 7,339	=====

TAXES PAYABLE

-----			
Taxes from late Feb 08 payrolls - paid in March		\$ 94	===

- A-13 -

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 6  
 PAYMENTS TO INSIDERS and PROFESSIONALS and  
 STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS  
 FEBRUARY 2008  
 -----

CASE NO. 07-50727 (AHWS)

## Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

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
-----	-----	-----	-----	-----
<b>INSIDERS:</b>				
-----				
Thomas N. Amonett	Director fees	\$ 1,500		\$ 4,500
Charles E. Bradley	Director fees	\$ 9,833	\$29,499	
Thomas L. Cassidy	Director fees	\$ 1,500		\$ 4,500
David E. Jackson	Director fees	\$ 1,500		\$ 4,500
Joseph C. Lawyer	Director fees	\$ 4,625		\$13,875
John G. Poole	Director fees	\$ 5,000	\$15,000	
Kimball J. Bradley, CEO	Salary	\$32,627	\$97,881	
John M. Froehlich, CFO	Salary	\$18,255	\$54,765	
Thomas J. Vogel, VP	Salary	\$ 9,350	\$28,050	

**PROFESSIONALS:**

NAME	DATE OF COURT ORDER	AMOUNT APPROVED	PAID THIS PERIOD PAID TO AMOUNT	TOTAL AND DATE	INCURRED UNPAID	TOTAL
-----	-----	-----	-----	-----	-----	-----
Lincoln International	1/24/08	\$65,445	\$44,653	\$65,445		
Reid and Riege, PC	11/28/07				\$106,694	

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

NAME OF CREDITOR	MONTHLY INTEREST PAYM'TS DUE	PAID INTEREST DURING MONTH UNPAID	POST PETITION INTEREST	TOTAL
-----	-----	-----	-----	-----
<b>SECURED NOTES: (Principal in default)</b>				
<b>ADEQUATE PROTECTION PAYMENTS:</b>				
Steel Partners	\$ 39,181	\$ 39,181	\$	0
Paradigm Capital	\$ 11,031	\$ 11,031	\$	0
U.S. Bank, as Trustee	\$ 50,000	\$ 50,000	\$	0
 <b>LEASES</b>				
-----				
KWA Properties	\$ 70,198	\$ 70,198	\$	0
IPC REIT - Stanwix Street Assoc	\$ 9,362	\$ 9,362	\$	0
US Bancorp	\$ 2,890	\$ 2,890	\$	0
Total Equipment Co	\$ 3,197	\$ 3,197	\$	0
Hyster Capital	\$ 2,043	\$ 2,043	\$	0
Equipco	\$ 1,494	\$ 1,494	\$	0

## Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 7  
 DEBTOR QUESTIONNAIRE  
 FEBRUARY 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?	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	

Item 15. Loans received from Wachovia Bank re: DIP Financing

- A-15 -

19293.000/451396.1