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REUNION INDUSTRIES INC

Form 8-K

June 05, 2008

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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) June 5, 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

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

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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 May 28, 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: June 5, 2008

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: APR-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 MAY 23, 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
APRIL 2008

CASE NO. 07-50727 (AHWS)
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Cash - beginning of period excluding lock-boxes	\$ 392,901
Plus: DIP borrowings	3,050,000
Plus: Net proceeds from sale of CPI	50,759,024
Less: Disbursements	
Net payroll	488,572
Payroll taxes	352,133
Steel purchases - CPI	0
Titan disbursements	23,111
Other operating	1,310,931
Reorganization:	
Professional fees	120,395
U.S. Trustee fees	13,000
Adequate Protection Payments	50,000

Total	2,358,142
Less: Outstanding checks	391,307

Cash - end of period	\$51,452,476
	=====

NOTE:

In connection with the sale of the CP Industries division on April 18, 2008, the Company's DIP Financing Agreement was paid in full. Additionally, another creditor with a secured lien was paid in full. The total of these payments was \$14.7 million. This amount has been netted against the proceeds from the sale of the CPI division.

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF APRIL 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	\$ 76,022 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$190,310	\$ 0	\$ 86,042	\$ 710
Deposits in transit	0			
Outstanding checks	(114,288)	-	(86,042)	(710)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$ 76,022 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$150,310 in an overnight deposit account.

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

CASE NO. 07-50727 (AHWS)
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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 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$ 0	\$ 3,673	\$ 0	\$ 2,259
Deposits in transit	0			
Outstanding checks	0	(3,673)		(2,259)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

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

CASE NO. 07-50727 (AHWS)
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BANK TYPE ACCOUNT NUMBER	PNC BANK Cash Collat'l 1019820572	PNC BANK Carve-Out 1019820847	PNC BANK Segregated 1019821057
Balance per books	\$50,259,024 =====	\$ 250,000 =====	\$ 250,000 =====
BANK BALANCE	\$50,259,024	\$ 250,000	\$ 250,000
Deposits in transit			
Outstanding checks			
Other - explain below			

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	-----	-----	-----
Adj. Bank Balance	\$50,259,024	\$ 250,000	\$ 250,000
	=====	=====	=====

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

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

CASE NO. 07-50727 (AHWS)
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BANK
TYPE
ACCOUNT NUMBER

FIFTH THIRD
OPERATING
7512940417

FIFTH THIRD
LOCK-BOX
1055011

FIFTH THIRD
PAYROLL
1065629

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Balance per books	\$ 377,303 =====	\$ 240,127 =====	\$ 0 =====
BANK BALANCE	\$ 561,638	\$ 240,127	\$ 0
Deposits in transit			
Outstanding checks	(184,335)		
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 377,303 =====	\$ 240,127 =====	\$ 0 =====

("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)

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(\$ amounts in thousands)

	Month of Apr 2008 -----	Post Petition to 30-Apr-08 -----
Net Sales	\$ 2,682	\$ 21,628
Cost of Sales:		
Standard Cost	2,118	15,830
Variances & Other	305 -----	1,106 -----
Gross Profit	259	4,692
Operating Expenses:		
Marketing	140	662
General & Admin	347 -----	1,812 -----
Operating Profit	(228)	2,218
Other Income (Expense)	42,734	42,737
Equity in China JV	30	171
Reorganization exp:		
Professional fees	(121)	(187)
U.S. Trustee fees	(13)	(21)
Other		
Adequate Protection Paym't Exp.	(50)	(450)
Interest Expense - excluding Adequate Protection Payments	(960) -----	(3,360) -----
Profit before tax	41,392	41,108
Income Tax	0 -----	0 -----
Net Income	\$ 41,392 =====	\$ 41,108 =====

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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)

		Adjusted		
	26-Nov-07		31-Mar-08	30-Apr-08
	-----		-----	-----
ASSETS:				
Cash and Equivalents	\$ 754	\$ 393	\$ 51,452	
Net Receivables	7,166	9,028	2,800	
Net Inventory	12,369	11,617	2,577	
Other Current Assets	3,029	3,399	1,370	
	-----	-----	-----	
Current	23,318	24,437	58,199	
Net Property	6,300	6,150	3,221	
Goodwill	10,994	10,994	1,491	
CSV policies	2,200	2,194	2,195	
Interest in China JV	3,009	3,150	3,180	
	-----	-----	-----	
Total	\$ 45,821	\$ 46,925	\$ 68,286	
	=====	=====	=====	
LIABILITIES & EQUITY:				
Current Maturities of Debt	\$ 0	\$ 0	\$ 0	
Trade Payables	3,305	3,970	2,830	
Accrued Income Taxes	0	11	11	
Accrued Interest	544	748	661	
Customer Deposits	4,424	3,137	0	
Accrued Other	4,272	2,957	1,940	
	-----	-----	-----	
Current	12,545	10,823	5,442	
Secured Debt and interest	53,418	56,512	43,380	
Other Liabilities	3,101	2,729	1,211	
	-----	-----	-----	
Total Liabilities	69,064	70,064	50,033	
Total Equity	(23,243)	(23,139)	18,253	
	-----	-----	-----	
Total	\$ 45,821	\$ 46,925	\$ 68,286	
	=====	=====	=====	

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

Amount due for payrolls in the last half of April 2008 - paid in May	\$ 72
---	-------

DEBTS:

		Days Past Due				
	Current	0-30	31-60	61-90	Over 91	Total
	-----	-----	-----	-----	-----	-----
Accounts Payable	\$ 344	\$ 156	\$ 4	\$ 0	\$ 2,326	\$ 2,830
Wages Payable	113					113
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protection Paymts	0					0
Professional Fees	0	95	11			106
Amounts due Insiders	15	15	15 15		18	78
	-----	-----	-----	-----	-----	-----
Total	\$ 472	\$ 266	\$ 30	\$ 15	\$ 2,344	\$ 3,127
	=====	=====	=====	=====	=====	=====

Explanations:

Wages represent hourly wages earned in the last half of April that were paid in May.

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
APRIL 2008

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

DATE PAID	CPI	HANNA	HANNA MGT	CPI MGT	HQ	TOTAL
----	-----	-----	-----	-----	-----	-----
APR						
01	4,169.62	18,044.04	19,060.50	13,366.67	23,408.96	78,049.79
02						0.00
03	45,060.16					45,060.16
04						0.00
07						0.00
08			22,019.53			22,019.53
09						0.00
10						0.00
11						0.00
14						0.00
15	4,103.38	19,866.14				23,969.52
16						0.00
17	41,094.15		18,730.47	13,459.41	18,556.82	91,840.85
18						0.00
21						0.00
22		19,924.11				19,924.11
23						0.00
24						0.00
25						0.00
28		20,093.49				20,093.49
29						0.00
30	6,216.25	6,850.88			553.91	13,621.04
	-----	-----	-----	-----	-----	-----
TOTAL	100,643.56	84,778.66	59,810.50	26,826.08	42,519.69	314,578.49
	=====	=====	=====	=====	=====	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 4
PENNSYLVANIA AND OHIO WITHHOLDING TAX
APRIL 2008

CASE NO. 07-50727 (AHWS)
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DATE PAID	REF	CPI	CPI MGT	HQ	TOTAL
----	-----	-----	-----	-----	-----
APR					
01					0.00
02	PA	5,394.26	1,387.08	1,974.89	8,756.23
03					0.00
04					0.00
07					0.00
08					0.00
09					0.00
10					0.00
11					0.00
14					0.00
15					0.00
16					0.00
17					0.00

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18	PA	9,744.18	1,396.29	1,689.23	12,829.70
21					0.00
22					0.00
23					0.00
24					0.00
25					0.00
28					0.00
29					0.00
30	OH	671.27			671.27
		-----	-----	-----	-----
TOTAL		15,809.71	2,783.37	3,664.12	22,257.20
		=====	=====	=====	=====

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ILLINOIS, INDIANA AND WISCONSIN WITHHOLDING TAX

APRIL 2008

DATE PAID	REF	HANNA	HANNA MGT	HQ	TOTAL
----	----	-----	-----	-----	-----
APR					
01					0.00
02	IL	1,801.96	1,674.51		3,476.47
03					0.00
04					0.00
07					0.00
08					0.00
09	IL	2,147.71			2,147.71
10					0.00
11					0.00
14					0.00
15	WI	1,053.53			1,053.53
16	IL	1,940.20			1,940.20
17	IN			68.54	68.54
18	IL		1,688.29		1,688.29
21					0.00
22					0.00
23	IL	1,967.75			1,967.75
24					0.00
25					0.00
28					0.00
29	WI	637.59	349.75		987.34
30	IL	1,967.61			1,967.61
		-----	-----	-----	-----
TOTAL		11,516.35	3,712.55	68.54	15,297.44
		=====	=====	=====	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 5
ACCOUNTS RECEIVABLE AND TAXES AGING
AS OF APRIL 30, 2008

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

Trade Receivables - beg of month		\$ 9,120	
Plus: Invoiced during the month	3,766		
Less: Amounts collected		(5,024)	
Less: CPI sale		(4,953)	

Trade Receivables - end of month		\$ 2,909	=====

ACCOUNTS RECEIVABLE AGINGS:

0-30		\$ 1,756	
31-60		766	
61-90		215	
91+		172	

Total trade receivables		2,909	
Non-trade receivables		1	
Less: Reserve for bad debts		(110)	

Net Receivables - per balance sheet		\$ 2,800	=====

TAXES PAYABLE

Taxes from late April payrolls - paid in May	\$ 72		===
--	-------	--	-----

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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
APRIL 2008

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	\$ 1,500	\$ 7,500	
Charles E. Bradley	Director fees	\$ 9,833	\$ 49,165	
Thomas L. Cassidy	Director fees	\$ 1,500	\$ 7,500	
David E. Jackson	Director fees	\$ 1,500	\$ 7,500	
Joseph C. Lawyer	Director fees	\$ 4,625	\$ 23,125	
John G. Poole	Director fees	\$ 5,000	\$ 25,000	
Kimball J. Bradley, CEO	Salary	\$32,627	\$163,135	
John M. Froehlich, CFO	Salary	\$18,255	\$ 91,275	
Thomas J. Vogel, VP	Salary	\$ 9,350	\$ 46,750	

PROFESSIONALS:

	DATE OF COURT ORDER	AMOUNT APPROVED	PAID THIS PERIOD PAID TO AMOUNT	TOTAL AND DATE	INCURRED UNPAID	TOTAL
	-----	-----	-----	-----	-----	
Lincoln International	1/24/08	\$109,138	\$43,693	\$109,138	\$989,157	
Reid and Riege, PC	11/28/07	\$173,191	\$76,702	\$173,191	\$ 96,053	

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

NAME OF CREDITOR	MONTHLY INTEREST PAYM'TS DUE	MONTH	PAID INTEREST DURING UNPAID	POST PETITION
SECURED NOTES: (Principal in default)				
ADEQUATE PROTECTION PAYMENTS:				
Steel Partners	\$ 0		\$ 0	\$ 0
Paradigm Capital	\$ 0		\$ 0	\$ 0
U.S. Bank, as Trustee	\$ 50,000	\$ 50,000	\$ 0	
LEASES				
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

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

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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 BYU 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 were received from Wachovia Bank
during the month re: DIP Financing.