

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC

Form 8-K

July 23, 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) July 23, 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))

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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 July 6, 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: July 23, 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: MAY 2009

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 JUNE 30, 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
MAY 2009

CASE NO. 07-50727 (AHWS)
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Cash - beginning of period excluding	\$ 2,920,598	
Plus: Collections on receivables		806,350
Plus: Miscellaneous/Titan receipts		55,468
Less: Disbursements		
Net payroll		322,850
Payroll taxes		130,555
Titan disbursements		25,231
Other operating		1,551,319
Income Tax payments		0
Reorganization:		
Professional fees		0
U.S. Trustee fees		0

Total		2,029,955

Cash - end of period	\$ 1,752,461	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF MAY 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	\$ 4,498 =====	\$ (3,907) =====	\$ 6,947 =====	\$ 0 =====
BANK BALANCE	\$ 161,209	\$ 0	\$ 63,601	\$ 710
Deposits in transit				
Outstanding checks	(156,711)	(3,907)	(56,654)	(710)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 4,498 =====	\$ (3,907) =====	\$ 6,947 =====	\$ 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 MAY 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 =====	\$ 79,325 =====	\$1,516,870 =====
BANK BALANCE	\$ 5,077	\$ 79,325	\$1,516,870
Deposits in transit	0		
Outstanding checks	(5,077)		
Other - explain below			
Adj. Bank Balance	\$ 0 =====	\$ 79,325 =====	\$1,516,870 =====

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

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF MAY 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	\$ 22,804 =====	\$ (6,919) =====	\$ 50,335 =====	\$ 82,308 =====
BANK BALANCE	\$ 57,260	\$ 0	\$ 65,884	\$ 112,840
Deposits in transit				
Outstanding checks	(34,456)	(6,919)	(15,549)	(30,532)
Other - explain below				

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	-----	-----	-----	-----
Adj. Bank Balance	\$ 22,804	\$ (6,919)	\$ 50,335	\$ 82,308
	=====	=====	=====	=====

("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)

		Adjusted Post Month of Petition to May-09 31-May-09

Net Sales	\$ 1,011	\$ 38,740
Cost of Sales:		

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Standard Cost	752	28,346
Variances & Other	257	3,980
	-----	-----
Gross Profit	2	6,414
Operating Expenses:		
Marketing	27	1,511
General & Admin	194	6,527
	-----	-----
Operating Profit	(219)	(1,624)
Other Income (Expense)	0	40,214
Equity in China JV	32	1,111
Reorganization exp:		
Professional fees	0	(591)
U.S. Trustee fees	0	(81)
Other		
Adequate Protection Paym't Exp.	0	(450)
Interest Expense - excluding Adequate		
Protection Payments	59	(4,883)
	-----	-----
Profit before tax	(128)	33,696
Income Tax	0	(1,300)
	-----	-----
Net Income	\$ (128)	\$ 32,396
	=====	=====

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

30-Apr-09

31-May-09

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ASSETS:

Cash and Equivalents	\$	754		\$	2,921		\$	1,752
Net Receivables		7,166			2,036			2,242
Net Inventory		12,369			2,587			2,453
Other Current Assets		3,029			1,707			1,786
			-----		-----			-----
Current		23,318			9,251			8,233
Net Property		6,300			3,431			3,408
Goodwill			10,994			1,491		1,491
CSV policies		2,200			1,990			1,990
Interest in China JV		3,009			4,088			4,120
			-----		-----			-----
Total	\$	45,821		\$	20,251		\$	19,242
		=====			=====			=====

LIABILITIES & EQUITY:

Current Maturities of Debt	\$	0		\$	0		\$	0
Trade Payables		3,305			1,402			1,334
Accrued Income Taxes		0			11			11
Accrued Interest			544			1,687		1,690
Customer Deposits			4,424			0		0
Accrued Other		4,272			6,186			5,870
			-----		-----			-----
Current		12,545			9,286			8,905
Secured Debt and interest		53,418			500			0
Other Liabilities			3,101			1,184		1,184
			-----		-----			-----
Total Liabilities		69,064			10,970			10,089
Total Equity		(23,243)			9,281			9,153
			-----		-----			-----
Total	\$	45,821		\$	20,251		\$	19,242
		=====			=====			=====

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AS OF MAY 31, 2009

(\$ 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 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	\$ 662	\$ 339	\$ 45	\$ 0	\$ 288		\$ 1,334
Wages Payable	71						71
Taxes Payable	0						0
Rent-Building	0						0
Adequate Protection Paymts	0						0
Professional Fees	0	252					252
Amounts due Insiders	0	3	3	4	134		144
	-----	-----	-----	-----	-----	-----	-----
Total	\$ 733	\$ 594	\$ 48	\$ 4	\$ 422		\$ 1,801
	=====	=====	=====	=====	=====	=====	=====

Explanations:

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

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.

CASE NO. 07-50727 (AHWS)

MONTHLY OPERATING REPORT - 4

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FIT/FICA TAX PAYMENTS and FUTA 940 TAX PAYMENTS AND

ALL STATE AND LOCAL WITHHOOLDING TAX AND SUTA PAYMENTS

MAY 2009

DATE PAID ----	HANNA -----	HQ -----	TOTAL
01			0
04			0
05			0
06			0
07	15,605		15,605
08			0
11			0
12			0
13			0
14	14,219	12,256	26,475
15	22,307		22,307
18			0
19			0
20			0
21	16,997		16,997
22			0
25			0
26			0
27	22,702	12,220	34,922
28	14,249		14,249
29			0
30			0
TOTAL	106,079	24,476	130,555
	=====	=====	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 5
ACCOUNTS RECEIVABLE AND TAXES AGING
AS OF MAY 31, 2009

(\$ Amounts in 000's)

CASE NO. 07-50727 (AHWS)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

Trade Receivables - beg of month		\$ 2,149	
Plus: Invoiced during the month	1,028		
Less: Amounts collected		(807)	
Less: Credits/Adjustments		(17)	

Trade Receivables - end of month		\$ 2,353	=====

ACCOUNTS RECEIVABLE AGINGS:

0-30

\$ 1,016

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31-60	1,032
61-90	109
91+	196

Total trade receivables	2,353
Non-trade receivables	21
Less: Reserve for bad debts	(132)

Net Receivables - per balance sheet	\$ 2,242
	=====

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

MAY 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	\$176,944	
Thomas L. Cassidy	Director fees	\$ 0	\$ 19,500	
Thomas Certo	Director fees	\$ 1,500	\$ 7,500	
David E. Jackson	Director fees	\$ 1,500	\$ 27,000	

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Joseph C. Lawyer	Director fees	\$ 4,625	\$ 83,250
John G. Poole	Director fees	\$ 5,000	\$ 90,000
Kimball J. Bradley, CEO	Salary	\$32,627	\$587,286
John M. Froehlich, CFO	Salary	\$18,255	\$328,590
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	\$ 594,811	\$ 0	\$ 594,811	\$251,512	

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	\$ 9,362	\$ 9,362	\$ 0
US Bancorp	\$ 2,890	\$ 2,890	\$ 0

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

