

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC
Form 8-K
January 20, 2010

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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 20, 2010

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 January 6, 2010 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 20, 2010

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: NOV. 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 JAN 4, 2010

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

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- A-1 -

REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
CASH RECEIPTS AND DISBURSEMENTS
NOVEMBER 2009

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

Cash - beginning of period excluding	\$ 1,828,537
Plus: Collections on receivables	1,464,532
Plus: Miscellaneous/Titan receipts	28,457
Less: Disbursements	
Net payroll	318,290
Payroll taxes	120,770
Titan disbursements	6,081
Other operating	960,001
Income Tax payments	0
Reorganization:	
Professional fees	0
U.S. Trustee fees - quarterly	0

Total	1,405,142

Cash - end of period	\$ 1,916,384
	=====

- A-2 -

REUNION INDUSTRIES, INC.
 MONTHLY OPERATING REPORT - 1
 BANK RECONCILIATION
 AS OF NOVEMBER 30, 2009

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

BANK TYPE ACCOUNT NUMBER	PNC BANK OPERATING 2161326	PNC BANK PAYROLL 2184149	PNC BANK HEALTHCARE 2880718
Balance per books	\$ 11,900 =====	\$ (3,083) =====	\$ 1,791 =====
BANK BALANCE	\$ 37,717	\$ 0	\$ 5,871
Deposits in transit			
Outstanding checks	(25,817)	(3,083)	(4,080)
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 11,900 =====	\$ (3,083) =====	\$ 1,791 =====

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

EXPLANATION OF OTHER:

- A-3 -

REUNION INDUSTRIES, INC.
 MONTHLY OPERATING REPORT - 1
 BANK RECONCILIATION
 AS OF NOVEMBER 30, 2009

CASE NO. 07-50727 (AHWS)
 page 3/4

BANK TYPE ACCOUNT NUMBER	PNC BANK PENSION 1011567058	PNC BANK COLLATERAL 1019820572	PNC BANK CARVE-OUT 1019820847
Balance per books	\$ 0 =====	\$ 0 =====	\$1,517,142 =====
BANK BALANCE	\$ 5,096	\$ 0	\$1,517,142
Deposits in transit			
Outstanding checks	(5,096)		
Other - explain below			
Adj. Bank Balance	\$ 0 =====	\$ 0 =====	\$1,517,142 =====

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

- A-4 -

REUNION INDUSTRIES, INC.
 MONTHLY OPERATING REPORT - 1
 BANK RECONCILIATION
 AS OF NOVEMBER 30, 2009

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

BANK TYPE ACCOUNT NUMBER	FIFTH THIRD OPERATING 7512940417	FIFTH THIRD PAYROLL 1065629	Chase Operating 1690008469	Chase Royalty 1820765236
Balance per books	\$ 239,178 =====	\$ (8,178) =====	\$ 47,283 =====	\$ 110,351 =====
BANK BALANCE	\$ 544,467	\$ 0	\$ 48,616	\$ 116,214
Deposits in transit				
Outstanding checks	(305,289)	(8,178)	(1,333)	(5,863)
Other - explain below				

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	-----	-----	-----	-----
Adj. Bank Balance	\$ 239,178	\$ (8,178)	\$ 47,283	\$ 110,351
	=====	=====	=====	=====

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

- A-5 -

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

CASE NO. 07-50727 (AHWS)

 (\$ amounts in thousands)

	Month of Nov-09 -----	Post Petition to 30-Nov-09 -----
Net Sales	\$ 1,113	\$ 45,788
Cost of Sales:		

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Standard Cost	834	33,487
Variiances & Other	239	5,390
	-----	-----
Gross Profit	40	6,911
Operating Expenses:		
Marketing	49	1,748
General & Admin	201	8,038
	-----	-----
Operating Profit	(210)	(2,911)
Other Income (Expense)	0	40,724
Equity in China JV	20	1,223
Reorganization exp:		
Professional fees	0	(615)
U.S. Trustee fees	0	(81)
Adequate Protection Paym't Exp.	0	(450)
Interest (Expense) - excluding Adequate Protection Payments	(3)	(4,990)
	-----	-----
Profit before tax	(193)	32,900
Income Tax	0	(1,300)
	-----	-----
Net Income	\$ (193)	\$ 31,600
	=====	=====

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

- A-6 -

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-Oct-09

30-Nov-09

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ASSETS:			
Cash and Equivalents	\$ 754	\$ 1,828	\$ 1,916
Net Receivables	7,166	2,194	1,820
Net Inventory	12,369	2,040	1,961
Other Current Assets	3,029	1,714	1,717
	-----	-----	-----
Current	23,318	7,776	7,414
Net Property	6,300	3,291	3,266
Goodwill	10,994	1,491	1,491
CSV policies	2,200	1,340	1,340
Interest in China JV	3,009	4,212	4,232
	-----	-----	-----
Total	\$ 45,821	\$ 18,110	\$ 17,743
	=====	=====	=====
LIABILITIES & EQUITY:			
Current Maturities of Debt	\$ 0	\$ 0	\$ 0
Trade Payables	3,305	953	938
Accrued Income Taxes	0	9	9
Accrued Interest	544	1,109	1,089
Customer Deposits	4,424	0	0
Accrued Other	4,272	6,332	6,245
	-----	-----	-----
Current	12,545	8,403	8,281
Secured Debt and interest	53,418	0	0
Other Liabilities	3,101	1,184	1,184
	-----	-----	-----
Total Liabilities	69,064	9,587	9,465
Total Equity	(23,243)	8,523	8,278
	-----	-----	-----
Total	\$ 45,821	\$ 18,110	\$ 17,743
	=====	=====	=====

- A-7 -

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SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS
AS OF NOVEMBER 30, 2009

(\$ Amounts in 000's)

TAXES:

	Beg Liability	Accrued	Paid	Ending Liability
	-----	-----	----	-----
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:

	Current	Days Past Due				Total
		0-30	31-60	61-90	Over 91	
Payable-excl Professional	\$ 499	\$ 287	\$ 51	\$ 0	\$ 0	\$ 837
Wages Payable	47					47
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protect'n Paymts	0					0
Professional Fees	15	17	8	10	51	101
Amounts due Insiders	0	0	0	0	144	144
	-----	-----	-----	-----	-----	-----
Total	\$ 561	\$ 304	\$ 59	\$ 10	\$ 195	\$ 1,129
	=====	=====	=====	=====	=====	=====

Explanations:

Wages represent hourly wages earned in the current month that were paid in the following month.

Professional fees are due Reid and Riege.

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

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- A-8 -

REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 4

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

FIT/FICA TAX PAYMENTS and FUTA 940 TAX PAYMENTS AND
ALL STATE AND LOCAL WITHHOLDING TAX AND SUTA PAYMENTS
NOVEMBER 2009

DATE PAID	HANNA	HQ	TOTAL
----	-----	-----	-----
02			0
03			0
04			0
05			0
06	13,487		13,487
09			0
10			0
11			0
12	23,463	10,363	33,826
13	13,027		13,027
16			0
17			0
18			0
19			0
20	13,673		13,673
23			0
24			0
25	14,271	7,438	21,709
26			0
27	25,048		25,048
30			0
	-----	-----	-----
TOTAL	\$102,969	\$17,801	\$120,770
	=====	=====	=====

- A-9 -

REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 5
ACCOUNTS RECEIVABLE AND TAXES AGING
AS OF NOVEMBER 30, 2009

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

Trade Receivables - beg of month \$ 2,341
Plus: Invoiced during the month 1,117
Less: Amounts collected (1,465)
Less: Credits/Adjustments (23)

Trade Receivables - end of month \$ 1,970
=====

ACCOUNTS RECEIVABLE AGINGS:

0-30 \$ 1,064
31-60 817
61-90 43
91+ 46

Total trade receivables 1,970

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Non-trade receivables	0
Less: Reserve for bad debts	(150)

Net Receivables - per balance sheet	\$ 1,820
	=====

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.

- A-10 -

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
 NOVEMBER 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	TOTAL POST PETITION
-----	-----	-----	-----
INSIDERS:			

Thomas N. Amonett	Director fees	\$ 0	\$ 19,500
Charles E. Bradley	Director fees	\$ 9,833	\$235,992
Thomas L. Cassidy	Director fees	\$ 0	\$ 19,500
Thomas Certo	Director fees	\$ 1,500	\$ 16,500
David E. Jackson	Director fees	\$ 1,500	\$ 36,000
Joseph C. Lawyer	Director fees	\$ 4,625	\$111,000
John G. Poole	Director fees	\$ 5,000	\$120,000
Kimball J. Bradley, CEO	Salary	\$32,627	\$783,048

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John M. Froehlich, CFO	Salary	\$ 9,128	\$410,738
Thomas J. Vogel, VP	Salary	\$ 0	\$169,200

PROFESSIONALS:

	DATE OF COURT ORDER	AMOUNT APPROVED	PAID THIS PERIOD AMOUNT	TOTAL PAID TO DATE	TOTAL INCURRED AND UNPAID
Reid and Riege, PC	11/28/07	\$ 846,323	\$ 0	\$ 846,323	\$ 0

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

NAME OF CREDITOR	MONTHLY PAYM'TS DUE	PAID DURING MONTH	POST PETITION UNPAID
SECURED NOTES:			
U.S. Bank, as Trustee	\$ 0	\$ 0	\$ 0
LEASES			
KWA Properties	\$ 70,198	\$ 70,198	\$ 0
US Bancorp	\$ 2,890	\$ 2,890	\$ 0

- A-11 -

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

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X

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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