

Edgar Filing: REUNION INDUSTRIES INC - Form 8-K

REUNION INDUSTRIES INC
Form 8-K
August 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) August 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 July 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: August 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: JUNE 2008

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 JULY 25, 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
JUNE 2008

CASE NO. 07-50727 (AHWS)
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Cash - beginning of period excluding	\$ 16,402,552	
Plus: Collections on receivables		1,685,848
Plus: Miscellaneous/Titan receipts		67,802
Less: Disbursements		
Net payroll		367,142
Payroll taxes		148,579
Titan disbursements		28,906
Other operating		1,301,381
Secured debt payments		0
Reorganization:		
Professional fees		0
U.S. Trustee fees		0

Total		1,846,008
Increase(Decrease) in outstanding checks	(193,889)	-----
Cash - end of period	\$ 16,504,083	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF June 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	\$134,592 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$150,778	\$ 0	\$ 36,909	\$320,572
Deposits in transit	0			
Outstanding checks	(16,186)	-	(36,909)	(320,572)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$134,592 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$73,677 in an overnight deposit account.

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF JUNE 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-PEN 1898000
Balance per books	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$ 8,957	\$ 0	\$ 0
Deposits in transit	0		
Outstanding checks	(8,957)	0	0
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 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 JUNE 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	\$15,366,681 =====	\$ 250,493 =====	\$ 250,493 =====
BANK BALANCE	\$15,366,681	\$ 250,493	\$ 250,493
Deposits in transit			
Outstanding checks			

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Other - explain below

	-----	-----	-----
Adj. Bank Balance	\$15,366,681	\$ 250,493	\$ 250,493
	=====	=====	=====

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

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

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BANK
TYPE

FIFTH THIRD
OPERATING

FIFTH THIRD
PAYROLL

Chase
Operating

Chase
Royalty

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ACCOUNT NUMBER	7512940417	1065629	1690008469	1820765236
Balance per books	\$ 281,000 =====	\$ 0 =====	\$ 61,288 =====	\$ 159,536 =====
BANK BALANCE	\$ 478,657	\$ 0	\$ 81,955	\$ 162,474
Deposits in transit				
Outstanding checks	(197,657)		(20,667)	(2,938)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 281,000 =====	\$ 0 =====	\$ 61,288 =====	\$ 159,536 =====

("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 May 2008 -----	Post Petition to 31-May-08 -----
Net Sales	\$ 1,719	\$ 25,064
Cost of Sales:		
Standard Cost	1,191	18,312
Variances & Other	191 -----	1,526 -----
Gross Profit	337	5,226
Operating Expenses:		
Marketing	44	763
General & Admin	295 -----	2,368 -----
Operating Profit	(2)	2,095
Other Income (Expense)	(119)	40,011
Equity in China JV	133	410
Reorganization exp:		
Professional fees	0	(187)
U.S. Trustee fees	0	(21)
Other		
Adequate Protection Paym't Exp.	0	(450)
Interest Expense - excluding Adequate Protection Payments	24 -----	(3,653) -----
Profit before tax	36	38,205
Income Tax	0 -----	0 -----
Net Income	\$ 36 =====	\$ 38,205 =====

NOTE: Other income(expense) above primarily reflects the gain on sale of the Company's CP Industries division in April of 2008. The expense in the month of June reflects adjustments to the original recorded gain.

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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)

	26-Nov-07	31-May-08	30-Jun-08
	-----	-----	-----
ASSETS:			
Cash and Equivalents	\$ 754	\$ 16,403	\$ 16,504
Net Receivables	7,166	2,801	2,870
Net Inventory	12,369	2,451	2,302
Other Current Assets	3,029	2,219	1,980
	-----	-----	-----
Current	23,318	23,874	23,656
Net Property	6,300	3,223	3,220
Goodwill	10,994	1,491	1,491
CSV policies	2,200	2,195	2,195
Interest in China JV	3,009	3,286	3,419
	-----	-----	-----
Total	\$ 45,821	\$ 34,069	\$ 33,981
	=====	=====	=====
LIABILITIES & EQUITY:			
Current Maturities of Debt	\$ 0	\$ 0	\$ 0
Trade Payables	3,305	2,697	2,962
Accrued Income Taxes	0	11	11
Accrued Interest	544	630	635
Customer Deposits	4,424	0	0
Accrued Other	4,272	4,668	4,245
	-----	-----	-----
Current	12,545	8,006	7,853
Secured Debt and interest	53,418	9,694	9,728
Other Liabilities	3,101	1,211	1,206
	-----	-----	-----
Total Liabilities	69,064	18,911	18,787
Total Equity	(23,243)	15,158	15,194
	-----	-----	-----
Total	\$ 45,821	\$ 34,069	\$ 33,981
	=====	=====	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 4
SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS
AS OF JUNE 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 3

Amount due for payrolls in the last half of June 2008 - paid in July.	\$ 53
--	-------

DEBTS:

		Days Past Due					
		Current	0-30	31-60	61-90	Over 91	Total
		-----	-----	-----	-----	-----	-----
Accounts Payable	\$ 413	\$ 166	\$ 57	\$ 0	\$ 2,326	\$ 2,962	
Wages Payable	91					91	
Taxes Payable	0					0	
Rent-Building	0					0	
Adequate Protection Paymts	0					0	
Professional Fees	0	0	32			32	
Amounts due Insiders	6	7	15 15	48		91	
	-----	-----	-----	-----	-----	-----	
Total	\$ 510	\$ 173	\$ 72	\$ 47	\$ 2,374	\$ 3,176	
	=====	=====	=====	=====	=====	=====	

Explanations:

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

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
JUNE 2008

CASE NO. 07-50727 (AHWS)
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DATE PAID	REF	HANNA	HQ	TOTAL
----	---	-----	-----	
JUNE				
02				0.00
03	941	36,608.95	12,005.32	48,614.27
04				0.00
05				0.00
06				0.00
09				0.00
10	941	17,504.25		17,504.25
11				0.00
12				0.00
13				0.00
16				0.00
17	941	36,413.40	11,977.32	48,390.72
18				0.00
19				0.00
20				0.00
23				0.00
24	941	18,962.37		18,962.37
25				0.00
26				0.00
27				0.00
30				0.00
		-----	-----	-----
TOTAL		109,488.97	23,982.64	133,471.61
		=====	=====	=====

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REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)
 MONTHLY OPERATING REPORT - 4 page 3/3
 PA., ILLINOIS, INDIANA AND WISCONSIN WITHHOLDING TAX PAYMENTS
 JUNE 2008

DATE PAID ----	STATE -----	HANNA -----	HQ -----	TOTAL -----
JUNE				
02				0.00
03	PA		1,167.82	1,167.82
04	IL	3,468.57		3,468.57
05				0.00
06				0.00
09				0.00
10				0.00
11	IL	1,752.22		1,752.22
12				0.00
13	WI	1,233.45		1,233.45
16				0.00
17				0.00

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18	IL & PA	3,438.00	1,167.82	4,605.82
19				0.00
20	IN		71.80	71.80
23				0.00
24				0.00
25	IL	1,892.75		1,892.75
26				0.00
27	WI		914.93	914.93
30				0.00
		-----	-----	-----
TOTAL		11,784.99	3,322.37	15,107.36
		=====	=====	=====

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MONTHLY OPERATING REPORT - 5
 ACCOUNTS RECEIVABLE AND TAXES AGING
 AS OF JUNE 30, 2008

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

Trade Receivables - beg of month		\$ 2,914
Plus: Invoiced during the month	1,765	
Less: Amounts collected		(1,686)

Trade Receivables - end of month		\$ 2,993
----------------------------------	--	----------

 =====

ACCOUNTS RECEIVABLE AGINGS:

0-30		\$ 1,662
31-60		925
61-90		294
91+		112

Total trade receivables

2,993

Non-trade receivables

13

Less: Reserve for bad debts

(136)

Net Receivables - per balance sheet

\$ 2,870

 =====

TAXES PAYABLE

Taxes from late June payrolls - paid in July	\$ 53
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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

JUNE 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	\$ 10,500	
Charles E. Bradley	Director fees	\$ 9,833	\$ 68,831	
Thomas L. Cassidy	Director fees	\$ 1,500	\$ 10,500	
David E. Jackson	Director fees	\$ 1,500	\$ 10,500	
Joseph C. Lawyer	Director fees	\$ 4,625	\$ 32,375	
John G. Poole	Director fees	\$ 5,000	\$ 35,000	
Kimball J. Bradley, CEO	Salary	\$32,627	\$228,389	
John M. Froehlich, CFO	Salary	\$18,255	\$127,785	
Thomas J. Vogel, VP	Salary	\$ 9,350	\$ 65,450	

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	\$ 237,396	\$ 0	\$ 237,396	\$31,848	

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

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

KWA Properties	\$ 70,198	\$ 70,198	\$ 0	\$ 0
IPC REIT - Stanwix Street Assoc	\$ 9,362	\$ 9,362	\$ 0	\$ 0

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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
JUNE 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	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	

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