



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 September 25, 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: October 26, 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: AUG 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 SEPT 23, 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  
 AUGUST 2009  
 -----

CASE NO. 07-50727 (AHWS)  
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Cash - beginning of period excluding	\$ 2,086,150
Plus: Collections on receivables	1,145,565
Plus: Miscellaneous/Titan receipts	683,250
Less: Disbursements	
Net payroll	315,951
Payroll taxes	116,571
Titan disbursements	27,767
Other operating	1,387,070
Income Tax payments	0
Reorganization:	
Professional fees	43,359
U.S. Trustee fees - quarterly	0
	-----
Total	1,890,718
	-----
Cash - end of period	\$ 2,024,247
	=====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF AUGUST 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
Balance per books	\$ 108,499 =====	\$ (4,064) =====	\$ 2,909 =====
BANK BALANCE	\$ 149,431	\$ 0	\$ 18,296
Deposits in transit			
Outstanding checks	(40,932)	(4,064)	(15,387)
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 108,499 =====	\$ (4,064) =====	\$ 2,909 =====

("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 AUGUST 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 =====	\$ 0 =====	\$1,517,107 =====
BANK BALANCE	\$ 8,144	\$ 0	\$1,517,107
Deposits in transit			
Outstanding checks	(8,144)		
Other - explain below			
Adj. Bank Balance	\$ 0 =====	\$ 0 =====	\$1,517,107 =====

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

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF AUGUST 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	\$ 277,464 =====	\$ (28,362) =====	\$ 41,237 =====	\$ 109,357 =====
BANK BALANCE	\$ 634,672	\$ 0	\$ 47,353	\$ 111,874
Deposits in transit				
Outstanding checks	(357,208)	(28,362)	(6,116)	(2,517)
Other - explain below				

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	-----	-----	-----	-----
Adj. Bank Balance	\$ 277,464	\$ (28,362)	\$ 41,237	\$ 109,357
	=====	=====	=====	=====

("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)

	Month of Aug-09	Adjusted Post Petition to 31-Aug-09
	-----	-----
Net Sales	\$ 1,157	\$ 41,960
Cost of Sales:		



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Standard Cost	813	30,703
Variiances & Other	242	4,827
	-----	-----
Gross Profit	102	6,430
Operating Expenses:		
Marketing	43	1,646
General & Admin	233	7,282
	-----	-----
Operating Profit	(174)	(2,498)
Other Income (Expense)	3	40,248
Equity in China JV	14	1,162
Reorganization exp:		
Professional fees		(615)
U.S. Trustee fees	0	(81)
Adequate Protection Paym't Exp.	0	(450)
Interest (Expense) - excluding Adequate Protection Payments	(3)	(4,930)
	-----	-----
Profit before tax	(160)	32,836
Income Tax	0	(1,300)
	-----	-----
Net Income	\$ (160)	\$ 31,536
	=====	=====

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

CASE NO. 07-50727 (AHWS)

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

26-Nov-07

31-Jul-09

31-Aug-09

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	-----		-----		-----
ASSETS:					
Cash and Equivalents	\$ 754		\$ 2,087		\$ 2,024
Net Receivables	7,166		1,815		1,804
Net Inventory	12,369		2,133		2,151
Other Current Assets	3,029		1,745		1,769
	-----		-----		-----
Current	23,318		7,780		7,748
Net Property	6,300		3,367		3,342
Goodwill	10,994		1,491		1,491
CSV policies	2,200		1,990		1,340
Interest in China JV	3,009		4,157		4,171
	-----		-----		-----
Total	\$ 45,821		\$ 18,785		\$ 18,092
	=====		=====		=====
LIABILITIES & EQUITY:					
Current Maturities of Debt	\$ 0		\$ 0		\$ 0
Trade Payables	3,305		1,258		932
Accrued Income Taxes	0		11		9
Accrued Interest	544		1,254		1,219
Customer Deposits	4,424		0		0
Accrued Other	4,272		6,642		6,472
	-----		-----		-----
Current	12,545		9,165		8,632
Secured Debt and interest	53,418		0		0
Other Liabilities	3,101		1,184		1,184
	-----		-----		-----
Total Liabilities	69,064		10,349		9,816
Total Equity	(23,243)		8,436		8,276
	-----		-----		-----
Total	\$ 45,821		\$ 18,785		\$ 18,092
	=====		=====		=====

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SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
AS OF AUGUST 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	
Payable-excl Professional	\$ 386	\$ 209	\$ 79	\$ 0	\$ 91	\$ 765
Wages Payable	82					82
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protect'n Paymts	0					0
Professional Fees	14	24	22	107	0	167
Amounts due Insiders	0	0	0	0	144	144
Total	\$ 482	\$ 233	\$ 101	\$ 107	\$ 235	\$ 1,158

Explanations:

Wages represent hourly wages earned in August that were paid in September.

Professional fees are due Reid and Riege.

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 page 2/2  
 FIT/FICA TAX PAYMENTS and FUTA 940 TAX PAYMENTS AND  
 ALL STATE AND LOCAL WITHHOLDING TAX AND SUTA PAYMENTS  
 AUGUST 2009  
 -----

DATE PAID	HANNA	HQ	TOTAL
----	-----	-----	-----
03			0
04			0
04			0
06			0
07	9,015		9,015
10			0
11			0
12			0
13			0
14	35,833	10,391	46,224
17			0
18			0
19			0
20			0
21	12,759		12,759
24			0
25			0
26			0
27	14,282		14,282
28	24,201	10,090	34,291
31			0
TOTAL	\$ 96,090	\$20,481	\$116,571
	=====	=====	=====

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

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:  
-----

Trade Receivables - beg of month	\$ 1,953
Plus: Invoiced during the month	1,153
Less: Amounts collected	(1,146)
Less: Credits/Adjustments	(15)
	-----
Trade Receivables - end of month	\$ 1,945
	=====

ACCOUNTS RECEIVABLE AGINGS:  
-----

0-30	\$ 1,135
31-60	585
61-90	108
91+	117
	-----

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Total trade receivables	1,945
Non-trade receivables	0
Less: Reserve for bad debts	(141)
	-----
Net Receivables - per balance sheet	\$ 1,804
	=====

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  
 AUGUST 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	PERIOD AMOUNT	PAID THIS	POST PETITION	TOTAL
-----	-----	-----	-----	-----	-----
INSIDERS:					
Thomas N. Amonett	Director fees	\$ 0		\$ 19,500	
Charles E. Bradley	Director fees	\$ 9,833	\$206,493		
Thomas L. Cassidy	Director fees	\$ 0		\$ 19,500	
Thomas Certo	Director fees	\$ 1,500	\$ 12,000		
David E. Jackson	Director fees	\$ 1,500		\$ 31,500	
Joseph C. Lawyer	Director fees	\$ 4,625		\$ 97,125	
John G. Poole	Director fees	\$ 5,000	\$105,000		

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Kimball J. Bradley, CEO	Salary	\$32,627	\$685,167
John M. Froehlich, CFO	Salary	\$18,255	\$365,100
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	\$ 846,323	\$ 43,359	\$ 739,551	\$106,772		

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	\$ 3,350		\$ 3,350	\$ 0	
US Bancorp	\$ 2,890		\$ 2,890	\$ 0	

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

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- |  | --- | --- |
|--|-----|-----|
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?   |     | X   |
| 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   |



