



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 February 27, 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: March 24, 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: JANUARY 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 FEB. 24, 2009  
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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  
 JANUARY 2009  
 -----

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Cash - beginning of period excluding	\$ 5,909,429	
Plus: Collections on receivables		1,160,408
Plus: Miscellaneous/Titan receipts		94,371
Less: Disbursements		
Net payroll		571,329
Payroll taxes		211,987
Titan disbursements		28,404
Other operating		1,038,727
Income Tax payments		-
Reorganization:		
Professional fees		-
U.S. Trustee fees		-
		-----
	Total	1,850,447
Increase(Decrease) in outstanding checks	105,048	-----
Cash - end of period	\$ 5,418,809	=====

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 1  
BANK RECONCILIATION  
AS OF JANURAY 31, 2009  
-----

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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	\$ 5,406 =====	\$ (3,185) =====	\$ 2,964 =====	\$ 0 =====
BANK BALANCE	\$ 46,866	\$ 0	\$ 58,536	\$ 710
Deposits in transit				
Outstanding checks	(41,460)	(3,185)	(55,572)	(710)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 5,406 =====	\$ 0 =====	\$ 2,964 =====	\$ 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 JANUARY 31, 2009  
 -----

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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 =====	\$3,638,862 =====	\$1,514,090 =====
BANK BALANCE	\$ 5,241	\$3,638,862	\$1,514,090
Deposits in transit	0		
Outstanding checks	(5,241)		
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$3,638,862 =====	\$1,514,090 =====

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

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF JANUARY 31, 2009  
 -----

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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	\$ 76,024 =====	\$ 0 =====	\$ 77,540 =====	\$ 107,108 =====
BANK BALANCE	\$ 334,797	\$ 26,504	\$ 85,654	\$ 111,570
Deposits in transit				
Outstanding checks	(258,773)	(26,504)	(8,114)	(4,462)
Other - explain below	-----	-----	-----	-----

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Adj. Bank Balance	\$ 76,024	\$ 0	\$ 77,540	\$ 107,108
	=====	=====	=====	=====

("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 Jan-09 -----	Post Petition to 31-Jan-09 -----
Net Sales	\$ 1,291	\$ 34,247
Cost of Sales:		
Standard Cost	969	25,146



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Variances & Other		166	3,033
		-----	-----
Gross Profit	156	6,068	
Operating Expenses:			
Marketing		50	1,100
General & Admin	357	4,652	
		-----	-----
Operating Profit		(251)	316
Other Income (Expense)	-	39,849	
Equity in China JV	58	1,002	
Reorganization exp:			
Professional fees		-	(339)
U.S. Trustee fees		-	(71)
Other			
Adequate Protection Paym't Exp.	-	(450)	
Interest Expense - excluding Adequate Protection Payments	(1)	(3,782)	
		-----	-----
Profit before tax		(194)	36,525
Income Tax		0	0
		-----	-----
Net Income		\$ (194)	\$ 36,525
		=====	=====

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

December 2008 amounts were based on a normal month-end close and do not include year-end type adjustments, e.g., results of physical inventories and various accrual and asset valuation adjustments.

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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-Dec-08

31-Jan-09

-----

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ASSETS:

Cash and Equivalents	\$	754	\$	5,909	\$	5,419
Net Receivables		7,166		1,805		1,943
Net Inventory		12,369		2,002		2,019
Other Current Assets		3,029		2,262		2,255
		-----		-----		-----
Current		23,318		11,978		11,636
Net Property		6,300		3,472		3,448
Goodwill		10,994		1,491		1,491
CSV policies		2,200		2,003		2,003
Interest in China JV		3,009		3,953		4,011
		-----		-----		-----
Total	\$	45,821	\$	22,897	\$	22,589
		=====		=====		=====
LIABILITIES & EQUITY:						
Current Maturities of Debt	\$	0	\$	0	\$	0
Trade Payables		3,305		2,768		2,546
Accrued Income Taxes		0		11		11
Accrued Interest		544		665		672
Customer Deposits		4,424		0		0
Accrued Other		4,272		4,826		4,927
		-----		-----		-----
Current		12,545		8,270		8,156
Secured Debt and interest		53,418		500		500
Other Liabilities		3,101		427		427
		-----		-----		-----
Total Liabilities		69,064		9,197		9,083
Total Equity		(23,243)		13,700		13,506
		-----		-----		-----
Total	\$	45,821	\$	22,897	\$	22,589
		=====		=====		=====

NOTE: December 31, 2008 amounts are based on a normal month-end close and do not include year-end type adjustments, e.g., results of physical inventories and various accrual and asset valuation adjustments.

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REUNION INDUSTRIES, INC.  
MONTHLY OPERATING REPORT - 4  
SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
AS OF JANUARY 31, 2009  
-----

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(\$ Amounts in 000's)

TAXES:

-----

		Beg Liability	Accrued Paid	End Liability
		-----	-----	-----
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

-----

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	
	-----	-----	-----	-----	-----	-----
Accounts Payable	\$ 243	\$ 148	\$ 25	\$ 0	\$ 2,130	\$ 2,546
Wages Payable	78					78
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protection Paymts	0					0
Professional Fees	0	71		5	0	76
Amounts due Insiders	4	4	4	4	118	134
	-----	-----	-----	-----	-----	-----
Total	\$ 325	\$ 223	\$ 29	\$ 9	\$ 2,248	\$ 2,834
	=====	=====	=====	=====	=====	=====

Explanations:

Wages represent hourly wages earned in the last half of January that were paid in February.

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  
 JANUARY 2009  
 -----

CASE NO. 07-50727 (AHWS)  
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DATE PAID	REF	HANNA	HQ	TOTAL
----	---	-----	-----	-----
JANUARY				
02	941	38,130	12,560	50,690
05				0
06				0
07	941		10,450	10,450
08				0
09	941	9,904		9,904
12				0
13				0
14	941		12,948	12,948
15	941	19,824		19,824
16	941	15,030		15,030
19				0
20				0
21				0
22				0
23	941	14,308		14,308
26				0
27				0
28	941	19,813	12,837	32,650
29	941	14,302		14,302
30	940		67	67
TOTAL		----- 131,311 =====	----- 48,862 =====	----- 180,173 =====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 4  
 PA., IL, IN AND WI WITHHOLDING TAX AND SUTA PAYMENTS  
 JANUARY 2009  
 -----

CASE NO. 07-50727 (AHWS)  
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DATE PAID ----	STATE -----	HANNA -----	HQ -----	TOTAL -----
JANUARY				
02	IL	2,684		2,684
05	IL-PA	2,340	1,025	3,365
06	PA		1,535	1,535
07				0
08				0
09	IL	2,180		2,180
12				0
13				0
14	PA		3,017	3,017
15	IL	4,632		4,632
16	IL	3,125		3,125
19				0
20				0
21	IN		75	75
22				0
23	IL	2,936		2,936
26				0
27				0
28	IL-PA	3,627	1,690	5,317
29	WI	2,948		2,948
30				0

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	-----	-----	-----
TOTAL	24,472	7,342	31,814
	=====	=====	=====

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

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

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TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

-----		
Trade Receivables - beg of month		\$ 1,953
Plus: Invoiced during the month	1,304	
Less: Amounts collected		(1,160)
Less: Credits/Adjustments		(35)
		-----
Trade Receivables - end of month		\$ 2,062
		=====

ACCOUNTS RECEIVABLE AGINGS:

-----		
0-30		\$ 1,042
31-60		655
61-90		301
91+		64
		-----
Total trade receivables		2,062
Non-trade receivables		4
Less: Reserve for bad debts		(123)
		-----
Net Receivables - per balance sheet		\$ 1,943
		=====

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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MONTHLY OPERATING REPORT - 6

PAYMENTS TO INSIDERS and PROFESSIONALS and

STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS

JANUARY 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
<b>INSIDERS:</b>				
Thomas N. Amonett	Director fees	\$ 0	\$ 19,500	
Charles E. Bradley	Director fees	\$ 9,833	\$137,662	
Thomas L. Cassidy	Director fees	\$ 0	\$ 19,500	
Thomas Certo	Director fees	\$ 1,500	\$ 1,500	
David E. Jackson	Director fees	\$ 1,500	\$ 21,000	
Joseph C. Lawyer	Director fees	\$ 4,625	\$ 64,750	
John G. Poole	Director fees	\$ 5,000	\$ 70,000	
Kimball J. Bradley, CEO	Salary	\$32,627	\$456,778	
John M. Froehlich, CFO	Salary	\$18,255	\$255,570	
Thomas J. Vogel, VP	Salary	\$ 0	\$169,200	

**PROFESSIONALS:**

NAME	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	\$ 545,036	\$ 0	\$ 545,036	\$75,592	

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

NAME OF CREDITOR	MONTHLY PAYM'TS DUE	PAID DURING PERIOD UNPAID	POST PETITION	TOTAL
<b>SECURED NOTES: (Principal in default)</b>				
<b>ADEQUATE PROTECTION PAYMENTS:</b>				
U.S. Bank, as Trustee	\$ 0	\$ 0	\$ 0	
<b>LEASES</b>				
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  
 JANUARY 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	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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