



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 October 29, 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: December 1, 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: OCT. 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 NOV 19, 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  
OCTOBER 2009  
-----

CASE NO. 07-50727 (AHWS)  
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Cash - beginning of period excluding	\$ 1,851,435
Plus: Collections on receivables	1,199,327
Plus: Miscellaneous/Titan receipts	589,770
Less: Disbursements	
Net payroll	341,238
Payroll taxes	140,504
Titan disbursements	9,263
Other operating	1,203,817
Income Tax payments	0
Reorganization:	
Professional fees	106,773
U.S. Trustee fees - quarterly	10,400
	-----
Total	1,811,995
	-----
Cash - end of period	\$ 1,828,537
	=====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF OCTOBER 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	\$ 118,444 =====	\$ (1,666) =====	\$ 5,555 =====
BANK BALANCE	\$ 263,859	\$ 0	\$ 7,718
Deposits in transit			
Outstanding checks	(145,415)	(1,666)	(2,163)
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 118,444 =====	\$ (1,666) =====	\$ 5,555 =====

("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 OCTOBER 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 =====	\$1,517,110 =====
BANK BALANCE	\$ 5,272	\$ 0	\$1,517,110
Deposits in transit			
Outstanding checks	(5,272)		
Other - explain below			
Adj. Bank Balance	\$ 0 =====	\$ 0 =====	\$1,517,110 =====

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

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF OCTOBER 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	\$ 34,179 =====	\$ (15,879) =====	\$ 55,962 =====	\$ 114,832 =====
BANK BALANCE	\$ 379,177	\$ 7,865	\$ 65,899	\$ 117,958
Deposits in transit				
Outstanding checks	(344,998)	(23,744)	(9,937)	(3,126)
Other - explain below				

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	-----	-----	-----	-----
Adj. Bank Balance	\$ 34,179	\$ (15,879)	\$ 55,962	\$ 114,832
	=====	=====	=====	=====

("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 Oct-09 -----	Adjusted Post Petition to 31-Oct-09 -----
Net Sales	\$ 1,452	\$ 44,675
Cost of Sales:		



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Standard Cost	1,054	32,653
Variiances & Other	192	5,151
	-----	-----
Gross Profit	206	6,871
Operating Expenses:		
Marketing	48	1,735
General & Admin	263	7,837
	-----	-----
Operating Profit	(105)	(2,701)
Other Income (Expense)	454	40,724
Equity in China JV	33	1,203
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	(29)	(4,987)
	-----	-----
Profit before tax	353	33,093
Income Tax	0	(1,300)
	-----	-----
Net Income	\$ 353	\$ 31,793
	=====	=====

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-Sep-09

31-Oct-09

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ASSETS:			
Cash and Equivalents	\$ 754	\$ 1,851	\$ 1,828
Net Receivables	7,166	1,962	2,194
Net Inventory	12,369	2,149	2,040
Other Current Assets	3,029	1,749	1,714
	-----	-----	-----
Current	23,318	7,711	7,776
Net Property	6,300	3,317	3,291
Goodwill	10,994	1,491	1,491
CSV policies	2,200	1,340	1,340
Interest in China JV	3,009	4,179	4,212
	-----	-----	-----
Total	\$ 45,821	\$ 18,038	\$ 18,110
	=====	=====	=====
LIABILITIES & EQUITY:			
Current Maturities of Debt	\$ 0	\$ 0	\$ 0
Trade Payables	3,305	1,106	953
Accrued Income Taxes	0	9	9
Accrued Interest	544	1,155	1,109
Customer Deposits	4,424	0	0
Accrued Other	4,272	6,414	6,332
	-----	-----	-----
Current	12,545	8,684	8,403
Secured Debt and interest	53,418	0	0
Other Liabilities	3,101	1,184	1,184
	-----	-----	-----
Total Liabilities	69,064	9,868	9,587
Total Equity	(23,243)	8,170	8,523
	-----	-----	-----
Total	\$ 45,821	\$ 18,038	\$ 18,110
	=====	=====	=====

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SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
AS OF OCTOBER 31, 2009

-----  
(\$ Amounts in 000's)

TAXES:

-----

	Beg Liability	Accrued	Paid	Ending Liability
<b>NON-PAYROLL TAXES:</b>				
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	\$ 562	\$ 269	\$ 47	\$ 0	\$ 0	\$ 878
Wages Payable	71					71
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protect'n Paymts	0					0
Professional Fees	0	15	14	23	23	75
Amounts due Insiders	0	0	0	0	144	144
Total	\$ 633	\$ 284	\$ 61	\$ 23	\$ 167	\$ 1,168

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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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  
 OCTOBER 2009  
 -----

DATE PAID ----	HANNA -----	HQ -----	TOTAL -----
01	15,052		15,052
02			0
05			0
06			0
07			0
08	13,882		13,882
09			0
12			0
13			0
14	24,035	10,394	34,429
15	14,322		14,322
16			0
19			0
20			0
21			0
22	13,904		13,904
23			0
26			0
27			0
28	24,387	10,089	34,476
29	14,439		14,439
30			0
TOTAL	\$120,021 =====	\$20,483 =====	\$140,504 =====

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

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:  
-----

Trade Receivables - beg of month	\$ 2,106
Plus: Invoiced during the month	1,461
Less: Amounts collected	(1,199)
Less: Credits/Adjustments	(27)
	-----
Trade Receivables - end of month	\$ 2,341
	=====

ACCOUNTS RECEIVABLE AGINGS:  
-----

0-30	\$ 1,434
31-60	788
61-90	61
91+	58
	-----

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Total trade receivables	2,341
Non-trade receivables	0
Less: Reserve for bad debts	(147)
	-----
Net Receivables - per balance sheet	\$ 2,194
	=====

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  
 OCTOBER 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	\$226,159
Thomas L. Cassidy	Director fees	\$ 0	\$ 19,500
Thomas Certo	Director fees	\$ 1,500	\$ 15,000
David E. Jackson	Director fees	\$ 1,500	\$ 34,500
Joseph C. Lawyer	Director fees	\$ 4,625	\$106,375
John G. Poole	Director fees	\$ 5,000	\$115,000

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Kimball J. Bradley, CEO	Salary	\$32,627	\$750,421
John M. Froehlich, CFO	Salary	\$18,255	\$401,610
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	\$ 106,772	\$ 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

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

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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



