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REUNION INDUSTRIES INC
Form 8-K
December 17, 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) December 17, 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 December 2, 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: December 17, 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: OCTOBER 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 NOV. 26, 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
OCTOBER 2008

CASE NO. 07-50727 (AHWS)
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Cash - beginning of period excluding	\$ 7,479,352	
Plus: Collections on receivables		1,688,169
Plus: Miscellaneous/Titan receipts/China Dividend	18,370	
Less: Disbursements		
Net payroll		383,473
Payroll taxes	143,846	
Titan disbursements	27,265	
Other operating		1,445,012
Income Tax payments		-
Reorganization:		
Professional fees		-
U.S. Trustee fees		20,000

Total		2,019,596
Increase(Decrease) in outstanding checks	174,691	-----
Cash - end of period	\$ 6,991,604	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF OCTOBER 31, 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	\$243,909 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$343,808	\$ 0	\$ 52,207	\$ 710
Deposits in transit				
Outstanding checks	(99,899)	-	(52,207)	(710)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$243,909 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$266,808 in an overnight deposit account.

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 1
BANK RECONCILIATION
AS OF OCTOBER 31, 2008

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	PNC BANK SEGREGATED 1019821057
Balance per books	\$ 0 =====	\$4,595,220 =====	\$1,505,339 =====	\$250,940 =====
BANK BALANCE	\$ 5,827	\$4,595,220	\$1,505,339	\$250,940
Deposits in transit	0			
Outstanding checks	(5,827)			
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$4,595,220 =====	\$1,505,339 =====	\$250,940 =====

("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, 2008

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	\$ 232,813 =====	\$ 0 =====	\$ 49,342 =====	\$ 114,041 =====
BANK BALANCE	\$ 526,097	\$ 0	\$121,728	\$ 116,725
Deposits in transit				
Outstanding checks	(293,284)	(72,386)	(2,684)	
Other - explain below	-----	-----	-----	-----

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Adj. Bank Balance	\$ 232,813	\$ 0	\$ 49,342	\$ 114,041
	=====	=====	=====	=====

("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-08 -----	Post Petition to 31-Oct-08 -----
Net Sales	\$ 1,540	\$ 30,912
Cost of Sales:		
Standard Cost	1,133	22,639

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Variances & Other		201	2,351
		-----	-----
Gross Profit	206	5,922	
Operating Expenses:			
Marketing		53	956
General & Admin	282	3,446	
		-----	-----
Operating Profit		(129)	1,520
Other Income (Expense)	3	40,189	
Equity in China JV	74	786	
Reorganization exp:			
Professional fees		(79)	(339)
U.S. Trustee fees		(20)	(71)
Other			
Adequate Protection Paym't Exp.	0	(450)	
Interest Expense - excluding Adequate			
Protection Payments	(10)	(3,258)	
		-----	-----
Profit before tax		(161)	38,377
Income Tax		0	0
		-----	-----
Net Income		\$ (161)	\$ 38,377
		=====	=====

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-Sep-08

30-Oct-08

ASSETS:

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Cash and Equivalents	\$	754		\$	7,479		\$	6,992
Net Receivables		7,166			2,340			2,257
Net Inventory		12,369			1,940			1,876
Other Current Assets		3,029			2,110			2,185
			-----			-----		
Current		23,318			13,869			13,310
Net Property		6,300			3,193			3,509
Goodwill			10,994				1,491	1,491
CSV policies		2,200			2,195			2,195
Interest in China JV		3,009			3,721			3,795
			-----				-----	
Total	\$	45,821		\$	24,469		\$	24,300
			=====				=====	
LIABILITIES & EQUITY:								
Current Maturities of Debt	\$	0		\$	0		\$	0
Trade Payables		3,305			2,663			2,757
Accrued Income Taxes		0			11			11
Accrued Interest			544				647	653
Customer Deposits			4,424				0	0
Accrued Other		4,272			4,497		4,397	
			-----				-----	
Current		12,545			7,818		7,818	
Secured Debt and interest		53,418			500		500	
Other Liabilities			3,101				624	624
			-----				-----	
Total Liabilities		69,064			8,942		8,942	
Total Equity		(23,243)			15,527		15,358	
			-----				-----	
Total	\$	45,821		\$	24,469		\$	24,300
			=====				=====	

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 4
SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS
AS OF OCTOBER 31, 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
October 2008 - paid in November. \$ 51

DEBTS:

		Days Past Due					
		Current	0-30	31-60	61-90	Over 91	Total
		-----	-----	-----	-----	-----	-----
Accounts Payable	\$ 336	\$ 191	\$ 25	\$ 0	\$ 2,205		\$ 2,757
Wages Payable	78						78
Taxes Payable	0						0
Rent-Building	0						0
Adequate Protection Paymts	0						0
Professional Fees	0	0	0	81	0		81
Amounts due Insiders	4	4	4	4	106		122
		-----	-----	-----	-----	-----	-----
Total	\$ 418	\$ 195	\$ 29	\$ 85	\$ 2,311		\$ 3,038
		=====	=====	=====	=====	=====	=====

Explanations:

Wages represent hourly wages earned in the last half of October that were paid in November.

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
OCTOBER 2008

CASE NO. 07-50727 (AHWS)
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DATE PAID	REF	HANNA	HQ	TOTAL
----	---	-----	-----	
OCTOBER				
01	941	19,566	10,876	30,442
02				0
03				0
06				0
07	941	17,424		17,424
08				0
09				0
10				0
13				0
14				0
15	941	16,990		16,990
16				0
17	941	19,726	10,876	30,602
20				0
21	941	16,057		16,057
22				0
23				0
24				0
27				0
28	941	16,143		16,143
29				0
30				0
31	940		216	216
TOTAL		105,906	21,968	127,874
		=====	=====	=====

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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
 OCTOBER 2008

DATE PAID ----	STATE -----	HANNA -----	HQ -----	TOTAL -----
OCTOBER				
01	IL	1,696		1,696
02	PA		1,168	1,168
03	IL	1,738		1,738
06				0
07				0
08	IL	1,703		1,703
09				0
10				0
13				0
14				0
15	WI	842		842
16	IL	1,679		1,679
17				0
20	PA, IN		1,240	1,240
21				0
22	IL	3,354		3,354
23				0
24				0
27				0
28				0
29	IL	1,620		1,620

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30				0
31	WI	932		932
		-----	-----	-----
TOTAL		13,564	2,408	15,972
		=====	=====	=====

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REUNION INDUSTRIES, INC.
MONTHLY OPERATING REPORT - 5
ACCOUNTS RECEIVABLE AND TAXES AGING
AS OF OCTOBER 31, 2008

CASE NO. 07-50727 (AHWS)

(\$ Amounts in 000's)

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TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

Trade Receivables - beg of month		\$ 2,454	
Plus: Invoiced during the month	1,606		
Less: Amounts collected		(1,688)	
Less: Credits/Adjustments		(2)	

Trade Receivables - end of month		\$ 2,370	=====

ACCOUNTS RECEIVABLE AGINGS:

0-30		\$ 1,469	
31-60		702	
61-90		114	
91+		85	

Total trade receivables		2,370	
Non-trade receivables		29	
Less: Reserve for bad debts		(142)	

Net Receivables - per balance sheet		\$ 2,257	=====

TAXES PAYABLE

Taxes from October payrolls - paid in Nov.	\$ 51		===
--	-------	--	-----

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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 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	PERIOD AMOUNT	PAID THIS POST PETITION	TOTAL

INSIDERS:				

Thomas N. Amonett	Director fees	\$ 1,500		\$ 16,500
Charles E. Bradley	Director fees	\$ 9,833	\$108,163	
Thomas L. Cassidy	Director fees	\$ 1,500		\$ 16,500
David E. Jackson	Director fees	\$ 1,500		\$ 16,500
Joseph C. Lawyer	Director fees	\$ 4,625		\$ 50,875
John G. Poole	Director fees	\$ 5,000	\$ 55,000	
Kimball J. Bradley, CEO	Salary	\$32,627	\$358,897	
John M. Froehlich, CFO	Salary	\$18,255	\$200,805	
Thomas J. Vogel, VP	Salary	\$ 9,350	\$102,850	

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	\$ 376,578	\$ -	\$ 376,578	\$80,982	

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:				
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
US Bancorp	\$ 2,890	\$ 2,890	\$ 0	0

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