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REUNION INDUSTRIES INC
Form 8-K
May 06, 2010

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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) May 6, 2010

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))

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 a Reunion Financial Report that contains summarized financial data from the Monthly Operating Reports that were filed with the Bankruptcy Court and the United States Trustee pursuant to Rule 2015 of the Federal Rules of Bankruptcy Procedure for the first three months of the 2010 year.

During the first quarter of 2010, no additional shares of common stock were acquired by the Company. As a result, in accord with a previously reported authorization by the Company's Board of Directors, the total number of shares of common stock acquired by the Company in open market transactions remained at 367,248 at an average price per share acquired of \$0.24.

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: May 6, 2010

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

In re REUNION INDUSTRIES, INC. Case No. 07-50727 (AHWS)

Reporting Period: 1st QTR - 2010

FINANCIAL DATA EXTRACTED FROM MONTHLY OPERATING REPORTS

| DOCUMENT | FORM NO. |
|--|----------|
| Schedule of Cash Receipts and Disbursements | MOR-1 |
| Statement of Operations | MOR-2 |
| Balance Sheet | MOR-3 |
| Status of Post-petition Taxes | MOR-4 |
| Summary of Unpaid Post-petition Debts | MOR-4 |
| Accounts Receivable | MOR-5 |

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REUNION INDUSTRIES, INC.
 CASH RECEIPTS AND DISBURSEMENTS
 FIRST QTR OF 2010

FORM: MOR-1

| | |
|--------------------------------------|--------------|
| Cash - beginning of period excluding | \$ 1,970,778 |
| Plus: Collections on receivables | 3,379,806 |
| Plus: Miscellaneous/Titan receipts | 340,170 |
| Less: Disbursements | |
| Net payroll | 925,358 |
| Payroll taxes | 451,810 |
| Titan disbursements | 24,924 |
| Other operating | 2,408,935 |
| Income Tax payments | 0 |
| Reorganization: | |
| Professional fees | 0 |
| U.S. Trustee fees - quarterly | 0 |
| | ----- |
| Total | 3,811,027 |
| | ----- |
| Cash - end of period | \$ 1,879,727 |
| | ===== |

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REUNION INDUSTRIES, INC.
STATEMENT OF OPERATIONS
FOR THE PERIODS ENDED MARCH 31, 2010

FORM: MOR-2

(\$ amounts in thousands)

| | QTR Ended ----- | Post Petition to ----- |
|--|-----------------------|------------------------------|
| Net Sales | \$ 3,867 | \$ 50,541 |
| Cost of Sales: | | |
| Standard Cost | 3,070 | 37,221 |
| Variances & Other | 315 | 5,697 |
| | ----- | ----- |
| Gross Profit | 482 | 7,623 |
| Operating Expenses: | | |
| Marketing | 135 | 1,964 |
| General & Admin | 667 | 9,030 |
| | ----- | ----- |
| Operating Profit | (320) | (3,371) |
| Other Income (Expense) | 35 | 40,067 |
| Equity in China JV | 7 | 1,253 |
| 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 | (35) | (4,696) |
| | ----- | ----- |
| Profit before tax | (313) | 32,107 |
| Income Tax | 0 | (1,302) |
| | ----- | ----- |
| Net Income | \$ (313) | \$ 30,805 |

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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.
BALANCE SHEET
AS OF THE PERIODS SHOWN

FORM: MOR-3

(\$ amounts in thousands)

| | 26-Nov-07 | 31-Dec-09 | 31-Mar-10 |
|----------------------------------|-----------|-----------|-----------|
| | ----- | ----- | ----- |
| ASSETS: | | | |
| Cash and Equivalents | \$ 754 | \$ 1,971 | \$ 1,880 |
| Net Receivables | 7,166 | 1,326 | 1,802 |
| Net Inventory | 12,369 | 1,998 | 2,044 |
| Other Current Assets | 3,029 | 1,520 | 1,376 |
| | ----- | ----- | ----- |
| Current | 23,318 | 6,815 | 7,102 |
| Net Property | 6,300 | 3,302 | 3,230 |
| Goodwill | 10,994 | 1,491 | 1,491 |
| CSV policies | 2,200 | 1,340 | 1,140 |
| Interest in China JV | 3,009 | 4,255 | 4,262 |
| | ----- | ----- | ----- |
| Total | \$ 45,821 | \$ 17,203 | \$ 17,225 |
| | ===== | ===== | ===== |
| LIABILITIES & EQUITY: | | | |
| Current Maturities of Debt | \$ 0 | \$ 0 | \$ 0 |
| Trade Payables | 3,305 | 677 | 1,165 |
| Accrued Income Taxes | 0 | 101 | 101 |
| Accrued Interest | 544 | 1,074 | 1,063 |
| Customer Deposits | 4,424 | 0 | 0 |
| Accrued Other | 4,272 | 6,397 | 6,255 |
| | ----- | ----- | ----- |
| Current | 12,545 | 8,249 | 8,584 |
| Secured Debt and interest | 53,418 | 0 | 0 |
| Other Liabilities | 3,101 | 1,184 | 1,184 |
| | ----- | ----- | ----- |
| Total Liabilities | 69,064 | 9,433 | 9,768 |

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| | | | |
|--------------|-----------|-----------|-----------|
| Total Equity | (23,243) | 7,770 | 7,457 |
| | ----- | ----- | ----- |
| Total | \$ 45,821 | \$ 17,203 | \$ 17,225 |
| | ===== | ===== | ===== |

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REUNION INDUSTRIES, INC.
 SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS FORM: MOR-4
 AS OF MARCH 31, 2010

 (\$ Amounts in 000's)

TAXES:

| | Beg Liability | Accrued | Paid | Ending Liability |
|--------------------|------------------|---------|-------|---------------------|
| | ----- | ----- | ----- | ----- |
| 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 are being immediately paid to the Company's payroll service company who files and pays the Company's payroll taxes.

DEBTS:

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| | Current | Days Past Due | | | | Total |
|---------------------------|---------|---------------|--------|-------|---------|----------|
| | | 0-30 | 31-60 | 61-90 | Over 91 | |
| Payable-excl Professional | \$ 549 | \$ 322 | \$ 131 | \$ 42 | \$ 0 | \$ 1,044 |
| Wages Payable | 36 | | | | | 36 |
| Taxes Payable | 0 | | | | | 0 |
| Rent-Building | 0 | | | | | 0 |
| Adequate Protect'n Paymts | 0 | | | | | 0 |
| Professional Fees | 6 | 11 | 15 | 17 | 72 | 121 |
| Amounts due Insiders | 0 | 0 | 0 | 0 | 74 | 74 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total | \$ 591 | \$ 333 | \$ 146 | \$ 59 | \$ 146 | \$ 1,275 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

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.
 ACCOUNTS RECEIVABLE
 AS OF MARCH 31, 2010

 (\$ Amounts in 000's)

FORM: MOR-5

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:

| | |
|----------------------------------|----------|
| Trade Receivables - beg of month | \$ 1,466 |
| Plus: Invoiced during the month | 3,872 |
| Less: Amounts collected | (3,380) |
| Less: Credits/Adjustments | (10) |
| | ----- |
| Trade Receivables - end of month | \$ 1,948 |

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ACCOUNTS RECEIVABLE AGINGS:

| | |
|-------------------------------------|----------|
| 0-30 | \$ 1,429 |
| 31-60 | 418 |
| 61-90 | 92 |
| 91+ | 9 |
| | ----- |
| Total trade receivables | 1,948 |
| Non-trade receivables | 0 |
| Less: Reserve for bad debts | (146) |
| | ----- |
| Net Receivables - per balance sheet | \$ 1,802 |
| | ===== |