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REUNION INDUSTRIES INC  
Form 8-K  
May 12, 2008

=====

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 12, 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))

=====  
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 April 29, 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: May 12, 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: MAR-08  
 -----

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 APR 25, 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  
 MARCH 2008  
 -----

CASE NO. 07-50727 (AHWS)  
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Cash - beginning of period excluding lock-boxes		\$ 464,628
Plus: DIP borrowings	4,000,000	
Less: Disbursements		
Net payroll		694,730
Payroll taxes	322,931	
Steel purchases - CPI	938,541	
Titan disbursements	27,725	
Other operating		1,594,683
Reorganization:		
Professional fees		96,489
U.S. Trustee fees		0
Adequate Protection Payments	100,194	
		-----
	Total	3,775,293
Less: Outstanding checks	296,434	
		-----
Cash - end of period	\$ 392,901	=====

NOTE:

Cash above does not include amounts in the lock-box accounts for CPI and Hanna as these lock-box receipts are sent directly to Wachovia Bank under the DIP financing facility.

MEMO ONLY ITEMS:

Cash Receipts-book:		
Receivable collections	\$ 3,691,611	
Non-receivable receipts	0	
Receipts transferred to DIP bank	(3,847,298)	
		-----
	MEMO ONLY: Net activity	\$ (155,687)
		=====

DIP bank interest/fees charged directly	\$ 127,001	=====
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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 1  
 BANK RECONCILIATION  
 AS OF MARCH 31, 2008  
 -----

CASE NO. 07-50727 (AHWS)  
 page 2/5

BANK TYPE ACCOUNT NUMBER	PNC BANK OPERATING 2161326	PNC BANK PAYROLL 2184149	PNC BANK HEALTHCARE 2880718	PNC BANK PENSION 10382890
Balance per books	\$229,298 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$273,240	\$ 0	\$ 46,926	\$ 710
Deposits in transit	0			
Outstanding checks	(43,942)	-	(46,926)	(710)
Other - explain below	See Note 1 -----	-----	-----	-----
Adj. Bank Balance	\$229,298 =====	\$ 0 =====	\$ 0 =====	\$ 0 =====

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

EXPLANATION OF OTHER:

Note 1: Bank balance includes \$233,240 in an overnight deposit account.

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

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	PNC BANK PENSION 1011567058	PNC BANK WORK FUND 1896806	PNC BANK CPI-OP 1898000	PNC BANK CPI-PEN 1910807
Balance per books	\$ 0 =====	\$ 4,559 =====	\$ 0 =====	\$ 0 =====
BANK BALANCE	\$ 0	\$ 4,559	\$ 0	\$ 6,099
Deposits in transit	0			
Outstanding checks	0			(6,099)
Other - explain below	-----	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$ 4,559 =====	\$ 0 =====	\$ 0 =====

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

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

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	PNC BANK LOCK-BOX 1914007	PNC BANK CPI-PAY 1904706
Balance per books	\$ 23,004 =====	\$ 0 =====
BANK BALANCE	\$ 23,004	\$ 0
Deposits in transit		
Outstanding checks		
Other - explain below	-----	-----
Adj. Bank Balance	\$ 23,004 =====	\$ 0 =====

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

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

CASE NO. 07-50727 (AHWS)  
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BANK TYPE ACCOUNT NUMBER	FIFTH THIRD OPERATING 7512940417	FIFTH THIRD LOCK-BOX 1055011	FIFTH THIRD PAYROLL 1065629
Balance per books	\$ 0 =====	\$ 136,040 =====	\$ 0 =====
BANK BALANCE	\$ 198,757	\$ 136,040	\$ 0
Deposits in transit			
Outstanding checks	(198,757)		
Other - explain below	-----	-----	-----
Adj. Bank Balance	\$ 0 =====	\$ 136,040 =====	\$ 0 =====



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("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 Mar 2008	Post Petition to 31-Mar-08
	-----	-----
Net Sales	\$ 4,537	\$ 18,946
Cost of Sales:		
Standard Cost	3,360	13,712
Variances & Other	111	801
	-----	-----
Gross Profit	1,066	4,433
Operating Expenses:		
Marketing	165	522

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General & Admin		332	1,465
		-----	-----
Operating Profit		569	2,446
Other Income (Expense)		3	3
Equity in China JV		29	141
Reorganization exp:			
Professional fees		-	(66)
U.S. Trustee fees		-	(8)
Other			
Adequate Protection Paym't Exp.	(100)	(400)	
Interest Expense - excluding Adequate Protection Payments		(739)	(2,400)
		-----	-----
Profit before tax		(238)	(284)
Income Tax		0	0
		-----	-----
Net Income		\$ (238)	\$ (284)
		=====	=====

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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)

		Adjusted		
	26-Nov-07		29-Feb-08	31-Mar-08
	-----		-----	-----
ASSETS:				
Cash and Equivalents	\$ 754	\$	757	\$ 393
Net Receivables	7,166		7,205	9,028
Net Inventory	12,369		12,399	11,617
Other Current Assets	3,029		2,356	3,399
			-----	-----
Current	23,318		22,717	24,437
Net Property	6,300		6,174	6,150

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Goodwill		10,994		10,994		10,994
CSV policies		2,200		2,194		2,194
Interest in China JV		3,009		3,121		3,150
		-----		-----		-----
Total		\$ 45,821		\$ 45,200		\$ 46,925
		=====		=====		=====
LIABILITIES & EQUITY:						
Current Maturities of Debt	\$	0	\$	0	\$	0
Trade Payables		3,305		3,900		3,970
Accrued Income Taxes		0		11		11
Accrued Interest		544		721		748
Customer Deposits		4,424		2,243		3,137
Accrued Other		4,272		3,234		3,131
		-----		-----		-----
Current		12,545		10,109		10,997
Secured Debt and interest		53,418		55,222		56,512
Other Liabilities		3,101		2,770		2,729
		-----		-----		-----
Total Liabilities		69,064		68,101		70,238
		-----		-----		-----
Total Equity		(23,243)		(22,901)		(23,313)
		-----		-----		-----
Total	\$	45,821	\$	45,200	\$	46,925
		=====		=====		=====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 4  
 SUMMARY OF UNPAID POST PETITION TAXES AND DEBTS  
 AS OF MARCH 31, 2008

CASE NO. 07-50727 (AHWS)  
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-----  
 (\$ Amounts in 000's)

TAXES:

-----

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

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NON-PAYROLL TAXES:

Sales		\$ 0		\$ 0
Excise	\$ 0		\$ 0	
Real Property	\$ 0		\$ 0	
Personal Property		\$ 0		\$ 0

PAYROLL TAXES - See attached pages 2 to 4

-----  
 Amount due for payrolls in the last half of  
 March 2008 - paid in April \$ 94

DEBTS:

-----

	Current	Days Past Due				Total
		0-30	31-60	61-90	Over 91	
Accounts Payable	\$1,054	\$ 480	\$ 194	\$ 78	\$ 2,164	\$ 3,970
Wages Payable	359					359
Taxes Payable	0					0
Rent-Building	0					0
Adequate Protection Paymts	0					0
Professional Fees	95		11			106
Amounts due Insiders	15	15	15	18		63
	-----	----	----	----	-----	-----
Total	\$1,523	\$ 495	\$ 220	\$ 96	\$ 2,164	\$ 4,498
	=====	====	====	====	=====	=====

Explanations:

Wages represent hourly wages earned in the last half of March that were paid in April.

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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DATE PAID	REFERENCE NUMBER	CPI	HANNA	HANNA MGT	CPI MGT	HQ	TOTAL
MAR							
03							0.00
04	941 00401764	4085.14	21680.12	21995.63	13666.26	20560.43	81,987.58
05							0.00
06	941 00834787	46139.63					46,139.63
07							0.00
10							0.00
11	941 00432677		20438.17				20,438.17
12							0.00
13							0.00
14							0.00
17							0.00
18	941 00133924	4244.23	20017.71	19185.99	13414.60	20300.17	77,162.70
19							0.00
20	941 00863169	45796.86					45,796.86
21							0.00
24							0.00
25	941 00529624		20393.69				20,393.69
26							0.00
27							0.00
28							0.00
31							0.00
-----							
TOTAL		100,265.86	82,529.69	41,181.62	27,080.86	40,860.60	291,918.63
		=====	=====	=====	=====	=====	=====

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 4  
 PENNSYLVANIA, NORTH CAROLINA AND OHIO WITHHOLDING TAX  
 MARCH 2008  
 -----

CASE NO. 07-50727 (AHWS)  
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DATE PAID	REFERENCE NUMBER	CPI	HANNA	CPI MGT	HANNA MGT	HQ	TOTAL
MAR							
03							0.00
04							0.00
05	PA 97526	5,614.23		1,413.32		1,682.15	8,709.70
06							0.00
07							0.00
10							0.00
11							0.00
12							0.00
13							0.00
14							0.00
17							0.00
18							0.00
19	PA 53103	5,404.61		1,391.69		1,663.26	8,459.56
20							0.00
21							0.00
24							0.00
25							0.00
26							0.00
27							0.00
28							0.00
31							0.00
TOTAL		11,018.84	0.00	2,805.01	0.00	3,345.41	17,169.26

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REUNION INDUSTRIES, INC. CASE NO. 07-50727 (AHWS)  
 MONTHLY OPERATING REPORT - 4 page 4/4  
 ILLINOIS, INDIANA, WISCONSIN AND NEW YORK WITHHOLDING TAX  
 MARCH 2008  
 -----

DATE PAID	REFERENCE NUMBER	CPI	HANNA	CPI MGT	HANNA MGT	HQ	TOTAL
MAR							
03							0.00
04							0.00
05	IL 97333		2,094.76		1,872.94		3,967.70
06							0.00
07							0.00
10							0.00
11							0.00
12	IL 75610		1,971.98				1,971.98
13							0.00
14	WI 06003660446		714.25		422.45		1,136.70
17							0.00
18							0.00
19	IL 52925		1,936.04		1,686.94		3,622.98
20	IN 97418					68.54	68.54
21							0.00
24							0.00
25							0.00
26	IL 91311		1,986.55				1,986.55
27							0.00
28							0.00

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31	WI 07303685789		696.04		422.90		1,118.94
		-----	-----	-----	-----	-----	-----
TOTAL		0.00	9,399.62	0.00	4,405.23	68.54	13,873.39
		=====	=====	=====	=====	=====	=====

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

CASE NO. 07-50727 (AHWS)

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

TRADE ACCOUNTS RECEIVABLE RECONCILIATION:



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-----		
Trade Receivables - beg of month		\$ 7,425
Plus: Invoiced during the month	5,386	
Less: Amounts collected		(3,691)
		-----
Trade Receivables - end of month		\$ 9,120
		=====

ACCOUNTS RECEIVABLE AGINGS:

-----		
0-30		\$ 5,455
31-60		2,541
61-90		567
91+		557
		-----
Total trade receivables		9,120
Non-trade receivables		36
Less: Reserve for bad debts		(128)
		-----
Net Receivables - per balance sheet		\$ 9,028
		=====

TAXES PAYABLE

-----		
Taxes from late March payrolls - paid in April	\$ 78	
		===

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 6  
 PAYMENTS TO INSIDERS and PROFESSIONALS and  
 STATUS OF SECURED NOTES, LEASES AND ADEQUATE PROTECTION PAYMENTS  
 MARCH 2008

CASE NO. 07-50727 (AHWS)

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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
<b>INSIDERS:</b>					
Thomas N. Amonett	Director fees	\$ 1,500		\$ 6,000	
Charles E. Bradley	Director fees	\$ 9,833	\$ 39,332		
Thomas L. Cassidy	Director fees	\$ 1,500		\$ 6,000	
David E. Jackson	Director fees	\$ 1,500		\$ 6,000	
Joseph C. Lawyer	Director fees	\$ 4,625		\$ 18,500	
John G. Poole	Director fees	\$ 5,000	\$ 20,000		
Kimball J. Bradley, CEO	Salary	\$32,627	\$130,508		
John M. Froehlich, CFO	Salary	\$18,255	\$ 73,020		
Thomas J. Vogel, VP	Salary	\$ 9,350	\$ 37,400		

**PROFESSIONALS:**

	DATE OF COURT ORDER	AMOUNT APPROVED	PAID THIS PERIOD	PAID TO AMOUNT	TOTAL AND DATE	INCURRED UNPAID	TOTAL
Lincoln International	1/24/08	\$65,445		\$65,445			
Reid and Riege, PC	11/28/07		\$96,489			\$95,428	

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

NAME OF CREDITOR	MONTHLY INTEREST PAYM'TS DUE	PAID INTEREST DURING MONTH UNPAID	POST PETITION INTEREST
<b>SECURED NOTES: (Principal in default)</b>			
<b>ADEQUATE PROTECTION PAYMENTS:</b>			
Steel Partners	\$ 39,181	\$ 39,181	\$ 0
Paradigm Capital	\$ 11,031	\$ 11,031	\$ 0
U.S. Bank, as Trustee	\$ 50,000	\$ 50,000	\$ 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
Total Equipment Co	\$ 3,197	\$ 3,197	\$ 0
Hyster Capital	\$ 2,043	\$ 2,043	\$ 0
Equipco	\$ 1,494	\$ 1,494	\$ 0

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REUNION INDUSTRIES, INC.  
 MONTHLY OPERATING REPORT - 7  
 DEBTOR QUESTIONNAIRE  
 MARCH 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?  | 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   |     |

Item 15. Loans received from Wachovia Bank re: DIP Financing

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19293.000/451396.1