

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1996-12-30** | Period of Report: **1996-11-30**  
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FILER

**REUNITED HOLDINGS INC**

CIK: **796812** | IRS No.: **050301429** | State of Incorpor.: **RI** | Fiscal Year End: **0630**  
Type: **8-K** | Act: **34** | File No.: **000-15238** | Film No.: **96687782**  
SIC: **3960** Costume jewelry & novelties

Mailing Address  
*1650 PALISADE AVE  
TEANECK NJ 07666*

Business Address  
*TWO EXECUTIVE DR  
STE 780  
FORT LEE NJ 07024  
2015852100*

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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 30, 1996  
as of November 30, 1996

REUNITED HOLDINGS, INC.  
(Exact Name of Registrant as Specified in Charter)

Rhode Island (State or Other Jurisdiction of Incorporation)	0-15238 (Commission File Number)	05-0301429 (I.R.S. Employer Identification No.)
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Two Executive Drive, Fort Lee, NJ (Address of Principal Executive Offices)	07024-3308 (Zip Code)
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Registrant's telephone number, including area code	201-585-2100
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## Item 5. Other Events.

As reported in Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 1995 filed February 26, 1996, the Registrant and its parent company, United Merchants and Manufacturers, Inc., each filed petitions for reorganization relief under Chapter 11 of the United States Bankruptcy Code on February 22, 1996. Registrant is continuing to operate its business as debtor-in-possession while the reorganization case is pending. Registrant and its parent company are in the process of evaluating their businesses and formulating a plan or plans of reorganization.

Registrant and its parent company requested that the Securities and Exchange Commission allow them to follow a modified reporting procedure in lieu of the periodic reports required under the Securities Exchange Act of 1934, as amended. The Commission granted the Registrants' request. Therefore, the Registrants will file, under cover of Form 8-K, the financial reports and schedules that are filed with the Bankruptcy Court.

Included herewith, Registrant is filing the cover letter, certificate and verified financial statements/operating reports for the month ended November 30, 1996 as filed with the Bankruptcy Court.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Reunited Holdings, Inc.  
(formerly Victoria Creations, Inc.)

Date December 30, 1996

By /s/ Norman R. Forson  
Norman R. Forson

Senior Vice President

UNITED MERCHANTS AND MANUFACTURERS, INC., D.I.P.  
REUNITED HOLDINGS, INC., D.I.P.  
Two Executive Drive, Suite 780  
Fort Lee NJ 07024  
201-585-2100

December 26, 1996

United States Bankruptcy Court  
Southern District of New York  
Attn: Office of the Clerk  
Alexander Hamilton Customs House  
One Bowling Green  
New York NY 10004-1408

In re: United Merchants and Manufacturers, Inc. and Reunited Holdings,  
Inc. (formerly Victoria Creations, Inc.), Debtors, Jointly  
Administered Chapter 11 Case No. 96 B 40941 (AJG)

Enclosed herewith is a copy of the verified financial statements/operating  
reports for the month of November 1996.

Also enclosed is a schedule of and receipts for Federal, state, and local  
taxes withheld and paid for the month.

The companies do not make sales subject to sales tax.

All property taxes due and payable have been paid.

All insurance policies, including for workers compensation and disability,  
have been paid for the current period.

UNITED MERCHANTS AND MANUFACTURERS, INC., D.I.P.  
VICTORIA CREATIONS, INC., D.I.P.

/s/ Norman R. Forson  
by Norman R. Forson, Senior Vice President

cc: U.S. Department of Justice  
Office of the United States Trustee  
Southern District of New York  
Attn: Goodwin Benjamin, Esquire  
80 Broad Street, 3rd Floor  
New York NY 10004

Zalkin, Rodin & Goodman LLP

Attn: Andrew D. Gottfried, Esquire  
750 Third Avenue  
New York NY 10017

Skadden, Arps, Slate, Meagher & Flom  
Attn: Michael L. Cook, Esquire  
919 Third Avenue  
New York NY 10022-3897

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

in re

CASE NO. 96 B 40941 (AJG)  
CHAPTER 11

UNITED MERCHANTS AND MANUFACTURERS, INC. AND  
REUNITED HOLDINGS, INC. (formerly VICTORIA CREATIONS, INC.), Debtors

MONTHLY OPERATING STATEMENT FOR  
THE MONTH OF NOVEMBER 1996

DEBTORS' ADDRESS:  
2 Executive Drive, Suite 780  
Fort Lee NJ 07024

Monthly Disbursements - see Statement of  
Cash Flows

DEBTORS' ATTORNEY:  
Michael L. Cook (MC 7887)  
Lawrence V. Gelber (L 9384)  
Skadden, Arps, Slate, Meagher & Flom  
919 Third Avenue  
New York NY 10022-3897

Monthly Operating Profit - see Statement of  
Operations

REPORT PREPARER:  
Norman R. Forson, Senior Vice President

This operating statement must be signed by a representative of the  
Debtor.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

Date 12-26-96

/s/ Norman R. Forson, Sr. V.P.  
Signature and Title

Indicate if this is an amended statement by checking here.

AMENDED STATEMENT [ ]

REUNITED HOLDINGS, INC., D.I.P.  
(formerly Victoria Creations, Inc.)

FINANCIAL STATEMENTS

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REUNITED HOLDINGS, INC., D.I.P.  
(formerly Victoria Creations, Inc.)

Statement of Operations (000 omitted)

	MONTH OF NOVEMBER 1996 -----
Revenues.....	\$17
Selling, general and administrative expenses.....	(14)
	-----
Operating Income (Loss)	\$3
Other income (expenses):	

Interest expense to Parent Company.....	(163)
Interest income.....	9
Provision for income taxes.....	(1)
	-----
Earnings (Loss) before Reorganization Expenses	(\$152)
Reorganization expenses:	
Management services by Parent Company.....	(60)
Legal and other expenses.....	(27)
	-----
Net Earnings (Loss)	(\$239)
	=====
Average common shares outstanding.....	7,800
Net earnings (loss) per share.....	(\$0.03)

See notes to financial statements.

REUNITED HOLDINGS, INC., D.I.P.  
(formerly Victoria Creations, Inc.)

Balance Sheet (000 omitted)

NOVEMBER 30  
1996

ASSETS



Current Assets:	
Cash.....	\$2,392
Receivables.....	88
	-----
Total Assets	\$2,480
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:	
Accounts payable.....	\$90
Accrued expenses and other liabilities.....	821
	-----
Total Current Liabilities	\$911

Liabilities subject to compromise:	
Accounts payable.....	\$3,594
Accrued expenses.....	90
Due to Parent Company.....	16,694
	-----
Total Liabilities Subject to Compromise	\$20,378

Stockholders' Equity:	
Common stock, \$0.01 par value, authorized 10 million shares, outstanding 7.8 million shares.....	\$58
Additional paid-in capital.....	32,998
Retained earnings (deficit).....	(51,865)
	-----
Total Stockholders' Equity (Deficit)	(\$18,809)
	-----
Total Liabilities and Equity	\$2,480
	=====

See notes to financial statements.

REUNITED HOLDINGS, INC., D.I.P.  
 (formerly Victoria Creations, Inc.)

Statement of Cash Flows (000 omitted)

	MONTH OF NOVEMBER 1996 -----
Cash Flows from Operating Activities:	
Net loss.....	(\$239)
Add back item not requiring cash in current period - Interest expense to Parent Company.....	163
Increase (decrease) in current liabilities:	
Accounts payable.....	(6)
Accrued expenses and other liabilities.....	21
	-----
Net Cash Provided (Used) by Operating Activities	(\$61)
Cash Flows from Investing Activities.....	0
Cash Flows from Financing Activities.....	0
	-----
Net Increase (Decrease) in Cash	(\$61)
Cash at beginning of period.....	2,453
	-----
Cash at End of Period	\$2,392
	=====

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 Supplemental disclosure:

Cash payments for:	
Interest.....	\$0
Income taxes.....	0

See notes to financial statements.

REUNITED HOLDINGS, INC. (formerly Victoria Creations, Inc.), D.I.P.

Notes to Financial Statements

Note A - Basis of Presentation

The accompanying financial statements of Reunited Holdings, Inc. (formerly Victoria Creations, Inc.) ("Company") are unaudited, are as of and for the month ended November 30, 1996 and have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations of any interim period are subject to year-end audit and adjustments, and are not necessarily indicative of the results of operations for the fiscal year. For further information, refer to the financial statements and footnotes thereto included in the Company's verified financial statements/operating reports for the year ended June 30, 1996 filed with the United States Bankruptcy Court, Southern District of New York, New York NY.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles applicable to a going concern which contemplate the realization of assets and the liquidation of liabilities in the normal course of business. In the event that a plan of reorganization (see Note B below) is not consummated, certain adjustments may be required to the stated amounts and classification of assets and

liabilities.

The Company is a 79%-owned subsidiary of United Merchants and Manufacturers, Inc. (UM&M or Parent Company). UM&M is a publicly-held company.

#### Note B - Petition for Reorganization under Chapter 11

On February 22, 1996, the Company and its Parent Company filed petitions for reorganization relief under Chapter 11 of the Bankruptcy Code in the United States Court for the Southern District of New York.

Pursuant to the Bankruptcy Code, the Company is continuing to operate its business as debtor-in-possession while the reorganization case is pending. The Company is allowed to use, and is using, its cash and other resources at the operating level in the ordinary course of business.

Under Chapter 11, the presentation and collection of certain prepetition claims against the Company are stayed. These claims are reflected in the balance sheet as "Liabilities Subject to Compromise". Liabilities subject to compromise are stated at the Company's carrying value and not at the amounts for which the claims may be settled. The statement of cash flows reflects changes in applicable liabilities before the reclassification of such amounts to Liabilities Subject to Compromise.

Additional claims (liabilities subject to compromise) may arise resulting from rejection of executory contracts, including leases, and may be determined by the court (or agreed to by the parties in interest) for contingencies and other disputed amounts.

Subsequent to June 30, 1996, the Pension Benefits Guaranty Corporation and Internal Revenue Service each filed claims in bankruptcy for significant amounts against the Parent Company and took the position that such claims were guaranteed by the Company. The Company and the Parent Company both dispute the indication that the Company is a guarantor of such claims.

#### Note C - Income Taxes

The Company has net operating loss carryforwards to offset earnings. The amount shown as provision for income taxes is for state and local taxes.

#### Note D - Sale of Assets

As reported in the Company's financial statements as of and for the year

ended June 30, 1996 and the month ended July 31, 1996, under order of the Bankruptcy Court, effective July 1, 1996, the Company sold most of its operating assets as a "going concern" for proceeds of approximately \$5.5 million in cash and the assumption by the buyer of \$19.55 million of the Company's liability to its senior secured lender. The Company simultaneously used a portion of the cash proceeds to payoff the balance owed to the senior secured lender. The sale resulted in a non-cash loss of approximately \$24.2 million. Subsequent to the sale, the Company continues to own and operate a design studio providing design services for the high-quality-costume-jewelry and fashion-jewelry industries.