

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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UNITED MERCHANTS & MANUFACTURERS INC /NEW/

CIK: **101357** | IRS No.: **131426280** | State of Incorporation: **DE** | Fiscal Year End: **0630**
Type: **8-K** | Act: **34** | File No.: **001-03185** | Film No.: **96687776**
SIC: **3960** Costume jewelry & novelties

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1650 PALISADE AVENUE
TEANECK NJ 07666

Business Address
2 EXECUTIVE DRIVE
SUITE 780
FORT LEE NJ 07024
2015852100

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

UNITED MERCHANTS AND MANUFACTURERS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	1-3185 (Commission File Number)	13-1426280 (I.R.S. Employer Identification No.)
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Two Executive Drive, Fort Lee, N.J. (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 79%-owned subsidiary, Reunited Holdings, Inc. (formerly Victoria Creations, 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 subsidiary are in the process of evaluating their businesses and formulating a plan or plans of reorganization.

Registrant and its subsidiary 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.

United Merchants and Manufacturers, 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 []

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

FINANCIAL STATEMENTS

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

STATEMENT OF OPERATIONS (000 omitted)

	MONTH OF NOVEMBER 1996 -----
Rental income.....	\$51
General and administrative expenses.....	(185)

Operating Earnings (Loss)	(\$134)
Interest expense - net.....	(65)
Sale of assets.....	58
Reorganization expenses.....	(25)
Amounts billed to 79%-owned subsidiary:	
Management services during reorganization.....	60

Interest income on intercompany indebtedness.....	163

Net Earnings (Loss)	\$57
Dividends applicable to preferred stock.....	375

Net Earnings (Loss) Applicable to Common Shares	(\$318)
	=====
Average common shares outstanding.....	17,845
Net Earnings (Loss) per Common share.....	(\$0.02)

See Notes to Financial Statements.

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

BALANCE SHEET (000 omitted)

NOVEMBER 30
1996

ASSETS

Current Assets:

Cash.....	\$1,095
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Receivables.....	50

Total Current Assets	\$1,145
Land and buildings.....	\$1,611
Less accumulated depreciation and amortization.....	(1,151)

Net Land and Buildings	\$460
Investment in and advances to 79%-owned subsidiary..	16,694
Other Assets and Deferred Charges.....	103

Total Assets	\$18,402
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
Current Liabilities:	
Trade payables.....	\$26
Accrued expenses and sundry liabilities.....	921

Total Current Liabilities	\$947
Liabilities subject to compromise:	
Accounts payable.....	\$1,263
Accrued expenses.....	824
Long-term debt.....	55,693
Other long-term liabilities.....	8

Total Liabilities Subject to Compromise	\$57,788
Long-Term Debt.....	6,935
Other Long-Term Liabilities.....	2,417
Stockholders' Equity (Deficit):	
Preferred stock, par value \$1 per share; 10,000,000 shares authorized; 450,000 shares outstanding.....	\$450
Common stock, par value \$1 per share: 40,000,000 shares authorized; 17,845,000 shares outstanding (excluding 22,800 shares held in treasury).....	17,845
Capital in excess of par value.....	64,674
Retained earnings (deficit).....	(128,654)
Notes receivable from stock purchase agreement.....	(4,000)

Total Stockholders' Equity (Deficit)	(\$49,685)

Total Liabilities and Equity	\$18,402
	=====

See Notes to Financial Statements.

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

STATEMENT OF CASH FLOWS (000 omitted)

	MONTH OF NOVEMBER 1996

Cash Flows from Operating Activities:	
Net earnings (loss).....	\$57
Adjustments to reconcile net earnings (loss) to net cash used for operating activities:	
Depreciation and amortization.....	7
Interest income charged to 79%-owned subsidiary..	(163)
Decrease (increase) in assets:	
Receivables.....	12
Other assets.....	8
Increase (decrease) in liabilities:	
Trade payables	6
Accrued expenses and sundry liabilities.....	20
Other long-term liabilities.....	(13)

Net Cash Provided (Used) by Operating Activities	(\$66)
Cash Flows from Financing Activities:	
Increase in long-term debt.....	69
Decrease in long-term debt.....	(244)

Net Cash Provided (Used) by Financing Activities	(\$175)

Increase (Decrease) in Cash	(\$241)
Cash at beginning of period.....	1,336

Cash at end of period	\$1,095
	=====

Supplemental disclosures of cash flow information:	
Interest.....	\$0
Income Taxes.....	0

See Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

The accompanying financial statements of United Merchants and Manufacturers, Inc. ("UM&M" or the "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 (except on a separate company basis - see the accompanying financial statements of the Company's 79%-owned subsidiary which is accounted for herein on the equity method) 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 Company's equity in the loss on the sale by the Company's 79%-owned subsidiary of most of its operating assets on July 1, 1996 (see the Company's financial statements as of and for the month ended July 31, 1996) reduced the Company's investment in the subsidiary to zero. Therefore, so long as the subsidiary's net equity is a deficit, the Company's equity in the results of operations of the subsidiary will not be reflected in the Company's statement of operations.

The results of operations of interim periods are subject to year-end audit and adjustments and are not necessarily indicative of the results of operations of the fiscal year. For further information, refer to the consolidated financial statements and footnotes thereto included in the

Company's consolidated 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.

NOTE B - PETITION FOR REORGANIZATION UNDER CHAPTER 11

Effective February 22, 1996, the Company and its 79%-owned subsidiary, Reunited Holdings, Inc. (formerly Victoria Creations, Inc.), 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 businesses 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 accompanying balance sheet as "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.

Creditors holding claims secured by the Company's assets are also stayed, although such claimants may move the court for relief from the stay. Secured claims are secured by liens on substantially all of the Company's assets.

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.

The Company anticipates that it will not be required to pay postpetition interest on certain of its prepetition debt obligations and, accordingly, effective with the filing, discontinued accruing interest on those debt obligations included in Liabilities Subject to Compromise. Contractual interest not accrued and not reflected in the statement of operations with respect to those obligations during the month amounted to \$333,500.

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 - DIVIDENDS APPLICABLE TO PREFERRED STOCK

The Company has not declared nor paid any cash dividends on its 10% Cumulative Preferred Stock in order to retain its available cash for use in its operations. For financial statement purposes, cumulative preferred dividends are deducted from the results of operations in determining earnings applicable to common shares whether or not such dividends are declared or paid.

NOTE E - LONG-TERM DEBT

Long-term debt classified as subject to compromise consists of the following:

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(000)

3 1/2% Senior Subordinated Secured Debentures

due 2009, net of unamortized discount of \$46,211,000.....	\$ 22,931
5% Subordinated Notes due 2019:	
Issued to former senior lender.....	30,000
Issued in settlement of lawsuit, net of unamortized discount of \$20,852,000.....	1,148
Other.....	1,614

Total Long-Term Debt Subject to Compromise	\$ 55,693
	=====

Long-term debt not classified as subject to compromise is a term loan secured by substantially all of the Company's assets, matures July 31, 2000 and bears interest at the rate of 12% a year. Subsequent to the filing of the petition for reorganization, the Company has accrued interest on this debt but has not paid such interest in cash.

NOTE F - SUPPLEMENTAL BALANCE SHEET INFORMATION

	NOV 30
	1996
	(000)

Other long-term liabilities:	
Deferred shutdown costs.....	\$ 1,323
Accrued workers compensation.....	1,094

	\$ 2,417
	=====