

REUNION INDUSTRIES INC  
Form SC 13D/A  
January 05, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. 3)<sup>1</sup>

Reunion Industries, Inc.  
(Name of Issuer)

Common Stock, \$.01 Par Value  
(Title of Class of Securities)

761312107  
(CUSIP Number)

STEVEN WOLOSKY, ESQ.  
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

January 1, 2009  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " ".

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

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<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP NO. 761312107

1 NAME OF REPORTING PERSON

WEBFINANCIAL L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
 GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		4,697,950 *
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	4,697,950 *
		SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,697,950 \*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.0%

14 TYPE OF REPORTING PERSON

PN

\* Represents Shares that WebFinancial could be deemed to indirectly beneficially own as discussed in further detail in Item 4.

CUSIP NO. 761312107

1 NAME OF REPORTING PERSON

STEEL PARTNERS II, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		4,697,950 *
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	4,697,950 *
		SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,697,950 \*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.0%

14 TYPE OF REPORTING PERSON

PN

\* Represents Shares that WebFinancial could be deemed to indirectly beneficially own as discussed in further detail in Item 4.

CUSIP NO. 761312107

1 NAME OF REPORTING PERSON

STEEL PARTNERS II MASTER FUND L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		4,697,950 *
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	4,697,950 *
		SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,697,950 \*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.0%

14 TYPE OF REPORTING PERSON

PN

\* Represents Shares that WebFinancial could be deemed to indirectly beneficially own as discussed in further detail in Item 4.

CUSIP NO. 761312107

1 NAME OF REPORTING PERSON

STEEL PARTNERS LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
 GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		4,697,950 *
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	4,697,950 *
		SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,697,950 \*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.0%

14 TYPE OF REPORTING PERSON

OO

\* Represents Shares that WebFinancial could be deemed to indirectly beneficially own as discussed in further detail in Item 4.

CUSIP NO. 761312107

1 NAME OF REPORTING PERSON

WARREN G. LICHTENSTEIN

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
 GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		4,697,950 *
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		4,697,950 *
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,697,950 \*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.0%

14 TYPE OF REPORTING PERSON

IN

\* Represents Shares that WebFinancial could be deemed to indirectly beneficially own as discussed in further detail in Item 4.

CUSIP NO. 761312107

The following constitutes Amendment No. 3 to the Schedule 13D filed by the undersigned ("Amendment No. 3"). This Amendment No. 3 shall be deemed to amend and restate in their entirety Items 2, 3 and 5, add to Item 6 the existence of a new joint filing agreement among the Reporting Persons and add additional exhibits to Item 7 of the Schedule 13D. On January 1, 2009, WebFinancial Corporation merged with and into WebFinancial L.P., with WebFinancial L.P. as the surviving entity. The primary purpose of amending the Schedule 13D is to add WebFinancial L.P. as a Reporting Person in the place of WebFinancial Corporation and to make other changes resulting from the acquisition by WebFinancial L.P. of all the limited partnership interests of Steel Partners II, L.P. effective on January 1, 2009.

Item 2. Identity and Background.

(a) This statement is filed by WebFinancial L.P., a Delaware limited partnership ("WebFinancial"), Steel Partners II, L.P., a Delaware limited partnership ("Steel Partners II"), Steel Partners II Master Fund L.P., a Cayman Islands exempted limited partnership ("Steel Master"), Steel Partners LLC, a Delaware limited liability company ("Partners LLC") and Warren G. Lichtenstein. Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons."

Steel Master is the owner of approximately 99% of the limited partnership interests in WebFinancial. WebFinancial is the sole limited partner of Steel Partners II. Partners LLC is the manager of WebFinancial, Steel Partners II and Steel Master. The general partner of Steel Partners II has delegated to Partners LLC the exclusive power to vote and dispose of the securities held by Steel Partners II. Warren G. Lichtenstein is the manager of Partners LLC. By virtue of these relationships, each of Steel Master, Partners LLC and Mr. Lichtenstein may be deemed to beneficially own the Shares owned by WebFinancial.

Set forth on Schedule A annexed hereto is the name and present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted of the executive officers of Partners LLC, as of the date hereof.

(b) The principal business address of each of WebFinancial, Steel Partners II, Partners LLC and Warren G. Lichtenstein is 590 Madison Avenue, 32nd Floor, New York, New York 10022. The principal business address of Steel Master is c/o Morgan Stanley Fund Services (Cayman) Ltd., Cricket Square, 2nd Floor, Boundary Hall, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The principal business of WebFinancial, Steel Partners II, Steel Master and Warren G. Lichtenstein is engaging in a variety of operating businesses. The principal business of Partners LLC is serving as the manager of WebFinancial, Steel Partners II and Steel Master.

(d) Neither the Reporting Persons nor any person listed in Schedule A annexed hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither the Reporting Persons nor any person listed in Schedule A annexed hereto has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.



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(f) Warren G. Lichtenstein and the persons listed on Schedule A are citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.

WebFinancial could be deemed to indirectly beneficially own 4,697,950 Pledged Shares securing the Senior Notes. The Pledged Shares serve as collateral for the Senior Notes as discussed in further detail in Item 4 and therefore there is no purchase price for WebFinancial to report herein.

Item 5. Interest in Securities of the Issuer.

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 17,419,019 Shares outstanding, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, as filed with the Securities and Exchange Commission on November 14, 2007.

As of the close of business on January 2, 2009, WebFinancial may be deemed to indirectly beneficially own up to 4,697,950 Pledged Shares, constituting approximately 27.0% of the Shares outstanding. WebFinancial could be deemed to indirectly beneficially own the Pledged Shares for the reasons discussed in further detail in Item 4. Upon any disposition of the Pledged Shares, each of the holders of the Senior Notes, including WebFinancial, would be entitled to receive its pro-rata portion of the proceeds of such disposition up to the amount required to satisfy the disputed amount due under the Senior Notes. By virtue of their relationships with WebFinancial discussed in Item 2, each of Steel Partners II, Steel Master, Partners LLC and Warren Lichtenstein may be deemed to beneficially own the 4,697,950 Pledged Shares that may be deemed to be beneficially owned by WebFinancial.

(b) Each of the Reporting Persons may be deemed to have the sole power to vote and dispose of the Shares that may be deemed to be beneficially owned by WebFinancial.

(c) There have been no transactions in securities of the Issuer during the past 60 days by the Reporting Persons.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

The filing of this Schedule 13D shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Exchange Act, the beneficial owners of any securities covered by this Schedule 13D.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Pursuant to Rule 13d-1(k) promulgated under the Exchange Act, the Reporting Persons have entered into an agreement with respect to the joint filing of this statement, and any amendment or amendments thereto.

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Item 7. Material to be Filed as Exhibits.

99.1 Joint Filing Agreement by and among WebFinancial L.P., Steel Partners II, L.P., Steel Partners II Master Fund L.P., Steel Partners LLC and Warren G. Lichtenstein, dated January 5, 2009.

99.2

2009 Powers of Attorney.

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CUSIP NO. 761312107

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 5, 2009

WEBFINANCIAL L.P.

By: Steel Partners II GP LLC  
General Partner

By: /s/ Sanford Antignas  
Sanford Antignas  
as Attorney-In-Fact for Warren G. Lichtenstein,  
Managing Member

STEEL PARTNERS II, L.P.

By: Steel Partners II GP LLC  
General Partner

By: /s/ Sanford Antignas  
Sanford Antignas  
as Attorney-In-Fact for Warren G. Lichtenstein,  
Managing Member

STEEL PARTNERS II MASTER FUND L.P.

By: Steel Partners II GP LLC  
General Partner

By: /s/ Sanford Antignas  
Sanford Antignas  
as Attorney-In-Fact for Warren G. Lichtenstein,  
Managing Member

STEEL PARTNERS LLC

By: /s/ Sanford Antignas  
Sanford Antignas  
as Attorney-In-Fact for Warren G. Lichtenstein,  
Manager

/s/ Sanford Antignas  
SANFORD ANTIGNAS  
as Attorney-In-Fact for Warren G. Lichtenstein



CUSIP NO. 761312107

## SCHEDULE A

## Executive Officers of Steel Partners LLC

Name and Position	Present Principal Occupation	Business Address
Warren G. Lichtenstein, Chairman and Chief Executive Officer	Chairman and Chief Executive Officer of Steel Partners LLC, a global management firm	c/o Steel Partners LLC 590 Madison Avenue, 32nd Floor New York, NY 10022
Jack L. Howard, President	President of Steel Partners LLC, a global management firm, and a principal of Mutual Securities, Inc., a registered broker dealer	c/o Steel Partners LLC 590 Madison Avenue, 32nd Floor New York, NY 10022
Sanford Antignas, Managing Director, Chief Operating Officer and Secretary	Managing Director, Chief Operating Officer and Secretary of Steel Partners LLC, a global management firm	c/o Steel Partners LLC 590 Madison Avenue, 32nd Floor New York, NY 10022
Michael Falk, Vice President, Chief Financial Officer, Treasurer and Assistant Secretary	Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of Steel Partners LLC, a global management firm	c/o Steel Partners LLC 590 Madison Avenue, 32nd Floor New York, NY 10022