



CHANIN CAPITAL PARTNERS

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

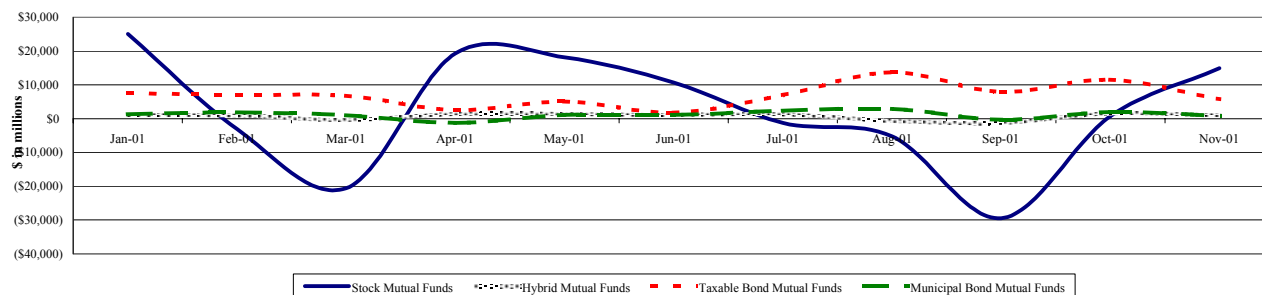
Week of January 25, 2002

Key Market Indicators

	January 25, 2002		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	10021.5	9987.53	10259.74	9987.53	-33.97	-0.3%	-33.97	-0.3%
Nasdaq	1950.4	2022.46	2059.38	1950.4	72.06	3.7%	72.06	3.7%
S&P 500	1148.09	1145.6	1172.51	1145.6	-2.49	-0.2%	-2.49	-0.2%
Russell 2000	488.5	489.94	499.28	488.5	1.44	0.3%	1.44	0.3%
OEX Volatility Index	23.22	23.98	23.98	23.22	0.76	3.3%	0.76	3.3%
Prime Rate	4.75%							
	1 month	3 months	6 months	1 Year				
LIBOR	1.77%	1.81%	1.94%	2.38%				

Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)

	Nov-01	Oct-01	Sep-01	Aug-01	Jul-01	Jun-01	May-01	YTD 2001
Stock Mutual Funds	\$14,944	\$758	(\$29,509)	(\$5,251)	(\$1,225)	\$10,630	\$18,127	\$29,146
Hybrid Mutual Funds	\$1,000	\$1,560	(\$1,254)	(\$723)	\$1,298	\$1,106	\$1,423	\$7,438
Taxable Bond Funds	\$5,704	\$11,547	\$7,961	\$13,667	\$6,998	\$1,760	\$5,124	\$76,658
Municipal Bond Funds	\$850	\$1,962	(\$335)	\$2,922	\$2,333	\$1,151	\$1,110	\$12,922

Net New Cash Flow of Long-Term Funds**Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)**

Index	Dec-01 Level	Nov-01 Level	Oct-01 Level	Dec-01 Month Return	YTD Return
Altman-NYU Defaulted Bank Loans Index	117.0	116.0	114.7	0.89%	13.94%
Altman-NYU Defaulted Public Bonds Index	69.4	69.0	68.0	0.52%	17.47%
Combined Bank Loan-Public Bond Index	97.2	96.5	95.3	0.77%	15.56%
S&P 500 (Dividends Reinvested)	193.8	192.1	178.4	0.88%	-11.87%
Salomon Smith Barney High Yield Index	139.0	139.9	134.7	-0.64%	5.44%

Distressed Lending News

Story Description	Size (mm)	Date	Source
Panel Says Hayes Lemmerz Would Pay "Handsomely" Under DIP Loan	\$200.0	1/15/02	DBR
Thermadyne Holdings Gets Final Court OK for \$60M DIP Loan	\$60.0	1/16/02	DBR
Enron DIP Financing Now Likely Halved to About \$700 Million	\$700.0	1/16/02	DBR
Arch Wireless Gets Final Court OK for \$50 Million DIP Loan	\$50.0	1/17/02	DBR
Hayes Lemmerz Could Soon Get Final Order Approving \$200M DIP Loan	\$200.0	1/18/02	DBR
Court Oks Audio Visual Services Disclosure Statement, DIP Loan	\$20.0	1/21/02	DBR
Holt Group Seeks OK for \$15 Million DIP Loan with Wells Fargo	\$15.0	1/21/02	DBR
Integrated Health Svcs Seeks Court OK to Amend DIP Loan	\$200.0	1/21/02	DBR
Court Approves Amendments to Casual Male's DIP Agreement	\$135.0	1/22/02	DBR
Holt Group Creditors Object to Proposed \$15M DIP Loan	\$15.0	1/22/02	DBR
Kmart Wins Interim OK to Use \$1.15 Billion in DIP Funds	\$1,150.0	1/24/02	DBR
Judge Tells IT Group to Submit More Documents to Back DIP Loan	\$25.0	1/24/02	DBR
Loews Cineplex Lenders OK DIP Loan Extension Without New Fees	\$60.0	1/24/02	DBR
Holt Group Wins Interim Approval of \$15 Million DIP Loan	\$15.0	1/25/02	DBR

**CHANIN CAPITAL PARTNERS**

Los Angeles
11100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

Dallas
5605 North MacArthur Blvd, Suite 1019
Irving, TX 75038
Phone: (214) 596-9933
Fax: (214) 596-9944

New York
330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628

www.chanin.com

The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



CHANIN CAPITAL PARTNERS

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

Current Chanin M&A / Investment Opportunities

Company Name	Opportunity	Contact
Delta Queen Steamboat Co.	363 sale and \$10MM DIP loan for U.S. river / coastal cruise operator	Peter Corbell - LA

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Marconi Data Sys	Danaher Corp	\$400.0	1/10/02	Computer and Office Equipment
Comdisco Inc-Elec,Lab	General Electric Capital Corp	\$665.0	1/14/02	Business Services
Raytheon Co-Aircraft	L-3 Communications Holdings	\$1,130.0	1/14/02	Aerospace and Aircraft
Rodamco-Real Estate	Investor Group	\$5,337.8	1/14/02	Investment & Commodity Firms, Dealers, Exchanges
Clinton Group Inc	TA Associates	\$110.0	1/15/02	Investment & Commodity Firms, Dealers, Exchanges
Centra Software Inc	SmartForce Public Ltd Co	\$277.0	1/16/02	Business Services
Dominion Semiconductor	Micron Technology Inc	\$303.0	1/16/02	Electronic and Electrical Equipment
IT Group Inc	Shaw Group Inc	\$200.0	1/16/02	Sanitary Services
Valassis Communications	Valassis Communications Inc	\$174.8	1/16/02	Advertising Services
Proxim Inc	Western Multiplex Corp	\$222.2	1/17/02	Communications Equipment
Triton Coal Company	Atlas Pipeline Partners LP	\$169.7	1/18/02	Mining
McLeodUSA-Yellow Page	Yell Group	\$600.0	1/21/02	Business Services
Astral Point Comm.	Alcatel SA	\$141.2	1/22/02	Measuring, Medical, Photo Equipment; Clocks
Gaylord Container Corp	Temple-Inland Inc	\$847.5	1/22/02	Paper and Allied Products
George Weston-US Bakery	Grupo Bimbo SA de CV	\$610.0	1/22/02	Food and Kindred Products

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Kvaerner ASA	1/10/02	Issuer Rating	Moody	B3	B3 *	Building-Heavy Construction
Trafalgar House Plc	1/10/02	Issuer Rating	Moody	B3	B3 *	Building & Construction-Misc
Avado Brands Inc	1/10/02	LT Foreign Issuer Credit	S&P	CCC	D	Retail-Restaurants
Radnor Holdings Corp	1/10/02	LT Foreign Issuer Credit	S&P	B-	B- *	Containers-Paper/Plastic
Avado Brands Inc	1/10/02	LT Local Issuer Credit	S&P	CCC	D	Retail-Restaurants
Radnor Holdings Corp	1/10/02	LT Local Issuer Credit	S&P	B-	B- *	Containers-Paper/Plastic
Kvaerner ASA	1/10/02	Senior Implied Issuer	Moody	B3	B3 *	Building-Heavy Construction
Trafalgar House Plc	1/10/02	Senior Implied Issuer	Moody	B3	B3 *	Building & Construction-Misc
Kvaerner ASA	1/10/02	Senior Unsecured Debt	Moody	B3	B3 *	Building-Heavy Construction
Trafalgar House Plc	1/10/02	Senior Unsecured Debt	Moody	B3	B3 *	Building & Construction-Misc
HMV Media Group Plc	1/11/02	Bank Loan Debt	Moody	B1	B2	Retail-Misc/Diversified
Rural Cellular Corp	1/11/02	Bank Loan Debt	Moody	Ba3	B1	Cellular Telecom
HMV Media Group Plc	1/11/02	Issuer Rating	Moody	B2	B3	Retail-Misc/Diversified
Friendly Ice Cream Corp	1/11/02	LT Foreign Issuer Credit	S&P	B	B-	Retail-Restaurants
Stillwater Mining Co	1/11/02	LT Foreign Issuer Credit	S&P	BB-	BB- *	Precious Metals
Friendly Ice Cream Corp	1/11/02	LT Local Issuer Credit	S&P	B	B-	Retail-Restaurants
Stillwater Mining Co	1/11/02	LT Local Issuer Credit	S&P	BB-	BB- *	Precious Metals
HMV Media Group Plc	1/11/02	Senior Implied Issuer	Moody	B1	B2	Retail-Misc/Diversified
HMV Media Group Plc	1/11/02	Senior Subordinate	Moody	B3	Caa1	Retail-Misc/Diversified
Harrah's Operating Company	1/14/02	Senior Subordinate	Moody	Ba1	Ba1 *	Casino Hotels
ICICI Ltd	1/14/02	Senior Unsecured Debt	Moody	Ba1	Ba2 **	Diversified Finan Serv
ICICI Ltd	1/14/02	Subordinated Debt	Moody	Ba1	Ba2 **	Diversified Finan Serv
Farmland Industries	1/15/02	Bank Loan Debt	Moody	B1	WR	Agricultural Chemicals
Booth Creek SKI Hold	1/15/02	Issuer Rating	Moody	Caa2	Caa2 *	Resorts/Theme Parks
Intrawest Corp	1/15/02	Issuer Rating	Moody	B1	B1 *	Real Estate Oper/Develop
America West Airline	1/15/02	LT Foreign Issuer Credit	S&P	CCC- **	CCC- *	Airlines
America West Holding	1/15/02	LT Foreign Issuer Credit	S&P	CCC- **	CCC- *	Airlines
America West Airline	1/15/02	LT Local Issuer Credit	S&P	CCC- **	CCC- *	Airlines
America West Holding	1/15/02	LT Local Issuer Credit	S&P	CCC- **	CCC- *	Airlines
Booth Creek SKI Holdings	1/15/02	Senior Implied Issuer	Moody	B3	B3 *	Resorts/Theme Parks
Intrawest Corp	1/15/02	Senior Implied Issuer	Moody	Ba3	Ba3 *	Real Estate Oper/Develop
Booth Creek SKI Holdings	1/15/02	Senior Unsecured Debt	Moody	Caa1	Caa1 *	Resorts/Theme Parks
Intrawest Corp	1/15/02	Senior Unsecured Debt	Moody	B1	B1 *	Real Estate Oper/Develop
Charles River Laboratories Int'l	1/16/02	LT Foreign Issuer Credit	S&P	BB	BB-	Medical Products
Tri-Union Developmen	1/16/02	LT Foreign Issuer Credit	S&P	CCC+ *	CCC+ *	Oil Comp-Explor & Prodn

**CHANIN CAPITAL PARTNERS****Los Angeles**

11100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

Dallas

5605 North MacArthur Blvd, Suite 1019
Irving, TX 75038
Phone: (214) 596-9933
Fax: (214) 596-9944

New York

330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

High Yield Credit Rating Upgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Charles River Laboratories Int'l	1/16/02	LT Local Issuer Credit	S&P	BB	BB-	Medical Products
Tri-Union Development Corp	1/16/02	LT Local Issuer Credit	S&P	CCC+ *	CCC+ *-	Oil Comp-Explor & Prodrn
Ann Taylor Inc	1/17/02	LT Foreign Issuer Credit	S&P	BB-	BB- *-	N.A.
Korea Exchange Bank	1/17/02	LT Foreign Issuer Credit	S&P	BB-	B+	Commer Banks Non-US
Ann Taylor Inc	1/17/02	LT Local Issuer Credit	S&P	BB-	BB- *-	N.A.
Korea Exchange Bank	1/17/02	LT Local Issuer Credit	S&P	BB-	B+	Commer Banks Non-US
Aftermarket Technology Corp	1/18/02	Issuer Rating	Moody	Ba3	B1	Auto/Trk Prts & Equip-Repl
SeoulBank	1/18/02	LT Local Issuer Credit	S&P	BB	Bpi	Money Center Banks
Aftermarket Technology Corp	1/18/02	Senior Implied Issuer	Moody	Ba2	Ba3	Auto/Trk Prts & Equip-Repl
Tatneft Finance	1/18/02	Senior Unsecured Debt	Moody	B3	Ca **	Special Purpose Entity
Normandy Yandal Oper	1/21/02	Issuer Rating	Moody	Ba2 **	Ba2 *	Gold Mining
Normandy Yandal Oper	1/21/02	Senior Implied Issuer	Moody	Ba2 **	Ba2 *	Gold Mining
Normandy Finance Ltd	1/21/02	Senior Unsecured Debt	Moody	Ba1 **	Ba1 *	Diversified Finan Serv
Normandy Yandal Oper	1/21/02	Senior Unsecured Debt	Moody	Ba2 **	Ba2 *	Gold Mining
Century Cable Holdings	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3	Cable TV
Century-TCI California	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3 *-	Cable TV
Frontiervision Operations	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3	Cable TV
Olympus Cable Holdings	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3	N.A.
Parnassos LP	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3 *-	Cable TV
UCA Corp	1/22/02	Bank Loan Debt	Moody	Ba2	Ba3	N.A.
Adelphia Communication	1/22/02	Issuer Rating	Moody	B2	B2 *-	Cable TV
Banca Serfin SA	1/22/02	LT Foreign Issuer Credit	S&P	BB+	BB	Commer Banks-Lat Am
Banca Serfin SA	1/22/02	LT Local Issuer Credit	S&P	BB+	BB	Commer Banks-Lat Am
Adelphia Communication	1/22/02	Senior Implied Issuer	Moody	Ba3	Ba3 *-	Cable TV
Frontiervision Operations	1/22/02	Senior Subordinate	Moody	B2	B2 *-	Cable TV
Adelphia Communication	1/22/02	Senior Unsecured Debt	Moody	B2	B2 *-	Cable TV
Century Communication	1/22/02	Senior Unsecured Debt	Moody	B2	B2 *-	Cable TV
Frontiervision Holdings	1/22/02	Senior Unsecured Debt	Moody	B2	B2 *-	Cable TV
Adelphia Communication	1/22/02	Subordinated Debt	Moody	B3	B3 *-	Cable TV
K Mart Corp	1/22/02	Subordinated Debt	Moody	C	C *-	Retail-Discout
Boyd Gaming Corp	1/23/02	Bank Loan Debt	Moody	Ba1	Ba1 *-	Casino Hotels
Isle of Capri Casino	1/23/02	Bank Loan Debt	Moody	Ba2	Ba2 *-	Gambling (Non-Hotel)
Boyd Gaming Corp	1/23/02	Issuer Rating	Moody	Ba3	Ba3 *-	Casino Hotels
Isle of Capri Casino	1/23/02	Issuer Rating	Moody	B1	B1 *-	Gambling (Non-Hotel)
Air New Zealand Ltd	1/23/02	LT Foreign Issuer Credit	S&P	B- **	B- *	Airlines
Lodgenet Entertainment	1/23/02	LT Foreign Issuer Credit	S&P	B+	B+ *-	Cable TV
Air New Zealand Ltd	1/23/02	LT Local Issuer Credit	S&P	B- **	B- *	Airlines
Boyd Gaming Corp	1/23/02	Senior Implied Issuer	Moody	Ba2	Ba2 *-	Casino Hotels
Isle of Capri Casino	1/23/02	Senior Implied Issuer	Moody	Ba3	Ba3 *-	Gambling (Non-Hotel)
Boyd Gaming Corp	1/23/02	Senior Subordinate	Moody	B1	B1 *-	Casino Hotels
Isle of Capri Casino	1/23/02	Senior Subordinate	Moody	B2	B2 *-	Gambling (Non-Hotel)
Boyd Gaming Corp	1/23/02	Senior Unsecured Debt	Moody	Ba3	Ba3 *-	Casino Hotels

High Yield Credit Rating Downgrades for Last 2 Weeks

Clubhaus Plc	1/10/02	Issuer Rating	Moody	Caa3	Caa2	Golf
Formica Corp	1/10/02	LT Foreign Issuer Credit	S&P	CCC *-	B- *-	Bldg & Construction Prod-Misc
Infonet Services Corp	1/10/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Telecom Services
Daiei Inc/The	1/10/02	LT Local Issuer Credit	S&P	CCC-pi	CCC+pi	Retail-Misc/Diversified
Formica Corp	1/10/02	LT Local Issuer Credit	S&P	CCC *-	B- *-	Bldg & Construction Prod-Misc
Infonet Services Corp	1/10/02	LT Local Issuer Credit	S&P	BB *-	BB	Telecom Services
Schadever Mij Erasmu	1/10/02	LT Local Issuer Credit	S&P	BBpi	BBBpi	N.A.
Clubhaus Plc	1/10/02	Senior Implied Issuer	Moody	Caa2	Caa1	Golf
Clubhaus Plc	1/10/02	Senior Unsecured Debt	Moody	Caa3	Caa2	Golf
Scandinavian Airline	1/10/02	Subordinated Debt	Moody	Ba1	Baa1 *-	Airlines



CHANIN CAPITAL PARTNERS

Los Angeles
11100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

Dallas
5605 North MacArthur Blvd, Suite 1019
Irving, TX 75038
Phone: (214) 596-9933
Fax: (214) 596-9944

New York
330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Ispat Inland LP	1/11/02	Bank Loan Debt	Moody	B3 *-	B3	Steel-Producers
Ispat Europe Group S	1/11/02	Issuer Rating	Moody	B3 *-	B2	N.A.
Ispat Inland Inc	1/11/02	Issuer Rating	Moody	Caa2 *-	Caa2	Steel-Producers
K Mart Corp	1/11/02	Issuer Rating	Moody	B2 *-	Ba2	Retail-Discount
Brush Engineered Materials Inc	1/11/02	LT Foreign Issuer Credit	S&P	BB-	BBB *-	Non-Ferrous Metals
Buckeye Technologies	1/11/02	LT Foreign Issuer Credit	S&P	BB	BB+	Paper & Related Products
General Binding Corp	1/11/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Office Automation & Equip
Brush Engineered Materials Inc	1/11/02	LT Local Issuer Credit	S&P	BB-	BBB *-	Non-Ferrous Metals
Buckeye Technologies	1/11/02	LT Local Issuer Credit	S&P	BB	BB+	Paper & Related Products
General Binding Corp	1/11/02	LT Local Issuer Credit	S&P	B+ *-	B+	Office Automation & Equip
Ispat Europe Group S	1/11/02	Senior Implied Issuer	Moody	B1 *+	Ba3	N.A.
Ispat Inland Inc	1/11/02	Senior Implied Issuer	Moody	B3 *-	B3	Steel-Producers
K Mart Corp	1/11/02	Senior Implied Issuer	Moody	B2 *-	Ba2	Retail-Discount
Ispat Europe Group S	1/11/02	Senior Secured Debt	Moody	B2 *-	B1	N.A.
Ispat Inland Inc	1/11/02	Senior Secured Debt	Moody	B3 *-	B3	Steel-Producers
Covanta Energy Corp	1/11/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba1 *-	Divers Oper/Commer Serv
K Mart Corp	1/11/02	Senior Unsecured Debt	Moody	B2 *-	Ba2	Retail-Discount
Covanta Energy Corp	1/11/02	Subordinated Debt	Moody	B1 *-	Ba2 *-	Divers Oper/Commer Serv
K Mart Corp	1/11/02	Subordinated Debt	Moody	Caa1 *-	Ba3	Retail-Discount
Dillard's Inc/AR	1/14/02	Bank Loan Debt	Moody	Ba1 *-	Ba1	Retail-Regnl Dept Store
Fleming Cos Inc	1/14/02	Bank Loan Debt	Moody	Ba2 *-	Ba2	Food-Wholesale/Distrib
Huntsman International	1/14/02	Bank Loan Debt	Moody	B2	Ba3 *-	Chemicals-Diversified
MGM Mirage	1/14/02	Bank Loan Debt	Moody	Ba1	Baa3 *-	Casino Hotels
Dillard's Inc/AR	1/14/02	Issuer Rating	Moody	Ba1 *-	Ba1	Retail-Regnl Dept Store
Fleming Cos Inc	1/14/02	Issuer Rating	Moody	B1 *-	B1	Food-Wholesale/Distrib
Huntsman International	1/14/02	Issuer Rating	Moody	B3	B1 *-	Chemicals-Diversified
MGM Mirage	1/14/02	Issuer Rating	Moody	Ba2	Ba1 *-	Casino Hotels
Millenium Seacarrier	1/14/02	Issuer Rating	Moody	C	Caa3	Shipbuilding
Park Place Entertainment	1/14/02	Issuer Rating	Moody	Ba1	Baa3 *-	Casino Hotels
Farmland Industries	1/14/02	LT Foreign Issuer Credit	S&P	BB-	BB+ *-	Agricultural Chemicals
K MART Financing	1/14/02	LT Foreign Issuer Credit	S&P	B- *-	BB	Retail-Discount
K Mart Corp	1/14/02	LT Foreign Issuer Credit	S&P	B- *-	BB	Retail-Discount
Farmland Industries	1/14/02	LT Local Issuer Credit	S&P	BB-	BB+ *-	Agricultural Chemicals
K MART Financing Inc	1/14/02	LT Local Issuer Credit	S&P	B- *-	BB	Retail-Discount
K Mart Corp	1/14/02	LT Local Issuer Credit	S&P	B- *-	BB	Retail-Discount
Dillard's Inc/AR	1/14/02	Senior Implied Issuer	Moody	Ba1 *-	Ba1	Retail-Regnl Dept Store
Fleming Cos Inc	1/14/02	Senior Implied Issuer	Moody	Ba3 *-	Ba3	Food-Wholesale/Distrib
Huntsman International	1/14/02	Senior Implied Issuer	Moody	B2	Ba3 *-	Chemicals-Diversified
MGM Mirage	1/14/02	Senior Implied Issuer	Moody	Ba1	Baa3 *-	Casino Hotels
Millenium Seacarrier	1/14/02	Senior Implied Issuer	Moody	Ca	Caa2	Shipbuilding
Millenium Seacarrier	1/14/02	Senior Secured Debt	Moody	Ca	Caa2	Shipbuilding
Fleming Cos Inc	1/14/02	Senior Subordinate	Moody	B2 *-	B2	Food-Wholesale/Distrib
Huntsman International	1/14/02	Senior Subordinate	Moody	Caa1	B2 *-	Chemicals-Diversified
MGM Mirage	1/14/02	Senior Subordinate	Moody	Ba2	Ba1 *-	Casino Hotels
Park Place Entertainment	1/14/02	Senior Subordinate	Moody	Ba2	Ba1 *-	Casino Hotels
Dillard's Inc/AR	1/14/02	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Retail-Regnl Dept Store
Fleming Cos Inc	1/14/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba3	Food-Wholesale/Distrib
Huntsman International	1/14/02	Senior Unsecured Debt	Moody	Caa2	B3 *-	Chemicals-Diversified
MGM Mirage	1/14/02	Senior Unsecured Debt	Moody	Ba1	Baa3 *-	Casino Hotels
Mercantile Stores Co	1/14/02	Senior Unsecured Debt	Moody	Ba1 *-	Ba1	Retail-Regnl Dept Store
Mirage Resorts Inc	1/14/02	Senior Unsecured Debt	Moody	Ba1	Baa3 *-	Casino Hotels
Park Place Entertainment	1/14/02	Senior Unsecured Debt	Moody	Ba1	Baa3 *-	Casino Hotels
Dillard's Inc/AR	1/14/02	Subordinated Debt	Moody	Ba2 *-	Ba2	Retail-Regnl Dept Store



CHANIN CAPITAL PARTNERS

Los Angeles
11100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

Dallas
5605 North MacArthur Blvd, Suite 1019
Irving, TX 75038
Phone: (214) 596-9933
Fax: (214) 596-9944

New York
330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
American Skiing Co	1/15/02	Bank Loan Debt	Moody	Caa1	B2 *-	Hotels & Motels
Foster Wheeler Ltd	1/15/02	Bank Loan Debt	Moody	B1 *-	Ba3	Building-Heavy Construction
Linc.net Inc	1/15/02	Bank Loan Debt	Moody	B3	B1	Telecom Services
American Skiing Co	1/15/02	Issuer Rating	Moody	Caa3	Caa1 *-	Hotels & Motels
Vail Resorts Inc	1/15/02	Issuer Rating	Moody	B1	Ba3 *-	Resorts/Theme Parks
Foster Wheeler Ltd	1/15/02	JR Subordinated Debt	Moody	B3 *-	B2	Building-Heavy Construction
Foster Wheeler Ltd	1/15/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	Building-Heavy Construction
Kaiser Aluminum & Chemical	1/15/02	LT Foreign Issuer Credit	S&P	CCC *-	B	Metal-Aluminum
Maxxam Inc	1/15/02	LT Foreign Issuer Credit	S&P	B *-	B	Metal-Aluminum
Pacific Lumber Co	1/15/02	LT Foreign Issuer Credit	S&P	B *-	B	Forestry
Williams Communication	1/15/02	LT Foreign Issuer Credit	S&P	CCC+ *-	B	Telecom Eq Fiber Optics
Foster Wheeler Ltd	1/15/02	LT Local Issuer Credit	S&P	BB- *-	BB-	Building-Heavy Construction
Kaiser Aluminum & Chemical	1/15/02	LT Local Issuer Credit	S&P	CCC *-	B	Metal-Aluminum
Maxxam Inc	1/15/02	LT Local Issuer Credit	S&P	B *-	B	Metal-Aluminum
Pacific Lumber Co	1/15/02	LT Local Issuer Credit	S&P	B *-	B	Forestry
Williams Communication	1/15/02	LT Local Issuer Credit	S&P	CCC+ *-	B	Telecom Eq Fiber Optics
American Skiing Co	1/15/02	Senior Implied Issuer	Moody	Caa2	B3 *-	Hotels & Motels
Linc.net Inc	1/15/02	Senior Implied Issuer	Moody	B3	B1	Telecom Services
Vail Resorts Inc	1/15/02	Senior Implied Issuer	Moody	Ba3	Ba2 *-	Resorts/Theme Parks
American Skiing Co	1/15/02	Senior Subordinate	Moody	Ca	Caa3 *-	Hotels & Motels
Foster Wheeler Ltd	1/15/02	Senior Subordinate	Moody	B3 *-	B2	Building-Heavy Construction
Vail Resorts Inc	1/15/02	Senior Subordinate	Moody	B2	Ba3 *-	Resorts/Theme Parks
Foster Wheeler Ltd	1/15/02	Senior Unsecured Debt	Moody	B1 *-	Ba3	Building-Heavy Construction
SxL Corp	1/15/02	Senior Unsecured Debt	Moody	B2	Ba3 *-	Bldg-Residential/Commer
Hughes Electronics Corp	1/16/02	Bank Loan Debt	Moody	Ba3 *-	Ba1 *-	Satellite Telecom
PanAmSat Corp	1/16/02	Bank Loan Debt	Moody	Ba2 *-	Baa3 *-	Satellite Telecom
K Mart Corp	1/16/02	Issuer Rating	Moody	Caa1 *-	B2 *-	Retail-Discount
Airxcel Inc	1/16/02	LT Foreign Issuer Credit	S&P	B	B+ *-	Auto/Trk Prts & Equip-Orig
Covanta Energy Corp	1/16/02	LT Foreign Issuer Credit	S&P	B *-	BBB *-	Divers Oper/Commer Serv
IT Group Inc/The	1/16/02	LT Foreign Issuer Credit	S&P	D	CCC- *-	Remediation Services
K MART Financing I	1/16/02	LT Foreign Issuer Credit	S&P	CCC- *-	B- *-	Retail-Discount
K Mart Corp	1/16/02	LT Foreign Issuer Credit	S&P	CCC- *-	B- *-	Retail-Discount
Pac-West Telecomm Inc	1/16/02	LT Foreign Issuer Credit	S&P	CCC *-	B- *-	Diversified Operations
Talk America Holding	1/16/02	LT Foreign Issuer Credit	S&P	CCC *-	B-	Telecom Services
Vintage Petroleum Inc	1/16/02	LT Foreign Issuer Credit	S&P	BB+ *-	BB+	Oil Comp-Explor & Prodn
Airxcel Inc	1/16/02	LT Local Issuer Credit	S&P	B	B+ *-	Auto/Trk Prts & Equip-Orig
Bankers Life & Casualty	1/16/02	LT Local Issuer Credit	S&P	BB+	BBB- *-	N.A.
Conseco Inc	1/16/02	LT Local Issuer Credit	S&P	B	B+ *-	Life/Health Insurance
Conseco Life Insurance	1/16/02	LT Local Issuer Credit	S&P	BB+	BBB- *-	N.A.
Conseco Senior Health	1/16/02	LT Local Issuer Credit	S&P	BB+	BBB- *-	N.A.
Covanta Energy Corp	1/16/02	LT Local Issuer Credit	S&P	B *-	BBB *-	Divers Oper/Commer Serv
IT Group Inc/The	1/16/02	LT Local Issuer Credit	S&P	D	CCC- *-	Remediation Services
K MART Financing I	1/16/02	LT Local Issuer Credit	S&P	CCC- *-	B- *-	Retail-Discount
K Mart Corp	1/16/02	LT Local Issuer Credit	S&P	CCC- *-	B- *-	Retail-Discount
Manhattan National Life Insur.	1/16/02	LT Local Issuer Credit	S&P	BB+	BBB- *-	N.A.
Pac-West Telecomm Inc	1/16/02	LT Local Issuer Credit	S&P	CCC *-	B- *-	Diversified Operations
Talk America Holding	1/16/02	LT Local Issuer Credit	S&P	CCC *-	B-	Telecom Services
Vintage Petroleum Inc	1/16/02	LT Local Issuer Credit	S&P	BB+ *-	BB+	Oil Comp-Explor & Prodn
K Mart Corp	1/16/02	Senior Implied Issuer	Moody	Caa1 *-	B2 *-	Retail-Discount
K Mart Corp	1/16/02	Senior Unsecured Debt	Moody	Caa1 *-	B2 *-	Retail-Discount



CHANIN CAPITAL PARTNERS

Los Angeles

11100 Santa Monica Blvd., 8th Floor
 Los Angeles, CA 90025
 Phone: (310) 445-4010
 Fax: (310) 445-4028

Dallas

5605 North MacArthur Blvd, Suite 1019
 Irving, TX 75038
 Phone: (214) 596-9933
 Fax: (214) 596-9944

New York

330 Madison Avenue, 11th Floor
 New York, NY 10017
 Phone: (212) 758-2629
 Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
PanAmSat Corp	1/16/02	Senior Unsecured Debt	Moody	Ba2 *-	Baa3 *-	Satellite Telecom
K Mart Corp	1/16/02	Subordinated Debt	Moody	Caa3 *-	Caa1 *-	Retail-Discount
Flag Ltd	1/17/02	Bank Loan Debt	Moody	B3	Ba2 *-	Divers Oper/Commer Serv
FLAG Telecom Holding	1/17/02	Issuer Rating	Moody	Ca	B2 *-	Telecom Eq Fiber Optics
National Steel Corp	1/17/02	LT Foreign Issuer Credit	S&P	CCC+ *-	B-	Steel-Producers
National Steel Corp	1/17/02	LT Foreign Issuer Credit	S&P	CCC+ *-	B-	Steel-Producers
United States Steel	1/17/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Steel-Producers
Ziff Davis Media Inc	1/17/02	LT Foreign Issuer Credit	S&P	CCC *-	CCC *-	Publishing-Periodicals
National Steel Corp	1/17/02	LT Local Issuer Credit	S&P	CCC+ *-	B-	Steel-Producers
National Steel Corp	1/17/02	LT Local Issuer Credit	S&P	CCC+ *-	B-	Steel-Producers
United States Steel	1/17/02	LT Local Issuer Credit	S&P	BB *-	BB	Steel-Producers
Ziff Davis Media Inc	1/17/02	LT Local Issuer Credit	S&P	CCC *-	CCC *-	Publishing-Periodicals
FLAG Telecom Holding	1/17/02	Senior Implied Issuer	Moody	Caa2	Ba3 *-	Telecom Eq Fiber Optics
FLAG Telecom Holding	1/17/02	Senior Unsecured Debt	Moody	Ca	B2 *-	Telecom Eq Fiber Optics
Flag Ltd	1/17/02	Senior Unsecured Debt	Moody	Caa3	Ba3 *-	Divers Oper/Commer Serv
Furukawa Co Ltd	1/17/02	Senior Unsecured Debt	Moody	Ba3	Baa3 *-	Machinery-General Indust
Saks Inc	1/18/02	Bank Loan Debt	Moody	B1	Ba2 *-	Retail-Apparel/Shoe
Touch America Inc	1/18/02	Bank Loan Debt	Moody	B3 *-	Ba3 *-	Electric-Integrated
Saks Inc	1/18/02	Issuer Rating	Moody	B2	Ba3 *-	Retail-Apparel/Shoe
Touch America Inc	1/18/02	Issuer Rating	Moody	Caa2 *-	B2 *-	Electric-Integrated
AAi.FosterGrant Inc	1/18/02	LT Foreign Issuer Credit	S&P	D	B-	Distribution/Wholesale
American Buildings Company	1/18/02	LT Foreign Issuer Credit	S&P	B+	BB- *-	Building-Heavy Construction
Goodyear Tire & Rubber	1/18/02	LT Foreign Issuer Credit	S&P	BB+	BBB *-	Rubber-Tires
Millenium Seacarrier	1/18/02	LT Foreign Issuer Credit	S&P	D	CCC+	Shipbuilding
Pasminco Ltd	1/18/02	LT Foreign Issuer Credit	S&P	D	CC *-	Metal-Diversified
AAi.FosterGrant Inc	1/18/02	LT Local Issuer Credit	S&P	D	B-	Distribution/Wholesale
American Buildings Company	1/18/02	LT Local Issuer Credit	S&P	B+	BB- *-	Building-Heavy Construction
Goodyear Tire & Rubber	1/18/02	LT Local Issuer Credit	S&P	BB+	BBB *-	Rubber-Tires
Millenium Seacarrier	1/18/02	LT Local Issuer Credit	S&P	D	CCC+	Shipbuilding
Pasminco Ltd	1/18/02	LT Local Issuer Credit	S&P	D	CC *-	Metal-Diversified
Saks Inc	1/18/02	Senior Implied Issuer	Moody	B1	Ba2 *-	Retail-Apparel/Shoe
Touch America Inc	1/18/02	Senior Implied Issuer	Moody	B3 *-	B1 *-	Electric-Integrated
Marconi Corp Plc	1/18/02	Senior Unsecured Debt	Moody	B2	Ba3	Telecommunication Equip
Saks Inc	1/18/02	Senior Unsecured Debt	Moody	B1	Ba2 *-	Retail-Apparel/Shoe
Saks Inc	1/18/02	Subordinated Debt	Moody	B3	Ba3 *-	Retail-Apparel/Shoe
Ashikaga Bank Ltd/Th	1/21/02	Issuer Rating	Moody	Ba2	Ba1	Commer Banks Non-US
K Mart Corp	1/21/02	Issuer Rating	Moody	Caa3 *-	Caa1 *-	Retail-Discount
Hokuriku Cayman	1/21/02	JR Subordinated Debt	Moody	B3	B1	Special Purpose Entity
Camuzzi Argentina SA	1/21/02	LT Foreign Issuer Credit	S&P	CCC	CCC+	N.A.
Camuzzi Gas Pampeana	1/21/02	LT Foreign Issuer Credit	S&P	CCC	B	Gas-Distribution
Marconi Plc	1/21/02	LT Foreign Issuer Credit	S&P	B+	BB	N.A.
Sodigas Pampeana & S	1/21/02	LT Foreign Issuer Credit	S&P	CCC	B	Diversified Operations
Aguas Argentinas SA	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Water
Cablevision SA	1/21/02	LT Local Issuer Credit	S&P	CC	CCC- *-	Cable TV
Camuzzi Argentina SA	1/21/02	LT Local Issuer Credit	S&P	CCC	CCC+	N.A.
Camuzzi Gas Pampeana	1/21/02	LT Local Issuer Credit	S&P	CCC	B	Gas-Distribution
Capex SA	1/21/02	LT Local Issuer Credit	S&P	CC	CCC-	Electric-Generation
Cia Internacional de	1/21/02	LT Local Issuer Credit	S&P	CCC+	B	Specified Purpose Acquis
Cia Latino Americana	1/21/02	LT Local Issuer Credit	S&P	CC	CCC- *-	Diversified Operations
Cia de Radiocomunica	1/21/02	LT Local Issuer Credit	S&P	CCC+	B-	Cellular Telecom



CHANIN CAPITAL PARTNERS

Los Angeles
11100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90025
Phone: (310) 445-4010
Fax: (310) 445-4028

Dallas
5605 North MacArthur Blvd, Suite 1019
Irving, TX 75038
Phone: (214) 596-9933
Fax: (214) 596-9944

New York
330 Madison Avenue, 11th Floor
New York, NY 10017
Phone: (212) 758-2629
Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

High Yield Credit Rating Downgrades for Last 2 Weeks (continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Cia de Transporte de	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Electric-Integrated
Daiei Inc/The	1/21/02	LT Local Issuer Credit	S&P	CCpi	CCC-pi	Retail-Misc/Diversified
Disco SA	1/21/02	LT Local Issuer Credit	S&P	CCC	B-	Food-Retail
Empresa Distribuidor	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Electric-Distribution
Empresa Distribuidor	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Electric-Distribution
Imagen Satelital SA	1/21/02	LT Local Issuer Credit	S&P	CC	CCC+	N.A.
Marconi Plc	1/21/02	LT Local Issuer Credit	S&P	B+	BB	N.A.
Mastellone Hermanos	1/21/02	LT Local Issuer Credit	S&P	CC	CCC	Food-Dairy Products
Metrogas SA	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Gas-Distribution
Multicanal SA	1/21/02	LT Local Issuer Credit	S&P	CC	CCC- *	Cable TV
Pan American Energy	1/21/02	LT Local Issuer Credit	S&P	CCC+	B+	N.A.
Sodigas Pampeana & S	1/21/02	LT Local Issuer Credit	S&P	CCC	B	Diversified Operations
Telecom Argentina SA	1/21/02	LT Local Issuer Credit	S&P	CCC+	B-	Telephone-Integrated
Telefonica Holding de	1/21/02	LT Local Issuer Credit	S&P	CCC+	B	Investment Companies
Transportadora Gas De	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Pipelines
Transportadora Gas De	1/21/02	LT Local Issuer Credit	S&P	CCC-	CCC+	Gas-Transportation
K Mart Corp	1/21/02	Senior Implied Issuer	Moody	Caa3 *-	Caa1 *-	Retail-Discount
Ashikaga Bank Ltd/The	1/21/02	Senior Unsecured Debt	Moody	Ba2	Ba1	Commer Banks Non-US
K Mart Corp	1/21/02	Senior Unsecured Debt	Moody	Caa3 *-	Caa1 *-	Retail-Discount
Hokuriku Cayman	1/21/02	Subordinated Debt	Moody	B1	Ba2	Special Purpose Entity
K Mart Corp	1/21/02	Subordinated Debt	Moody	C *-	Caa3 *-	Retail-Discount
American Greetings	1/22/02	Bank Loan Debt	Moody	Ba1 *-	Ba1	Consumer Products-Misc
Delco Remy America Inc	1/22/02	Bank Loan Debt	Moody	Ba3	Ba2	N.A.
Yell Finance BV	1/22/02	Bank Loan Debt	Moody	Ba3 *-	Ba3	N.A.
Delco Remy International	1/22/02	Issuer Rating	Moody	B3	B2	Auto/Trk Prts & Equip-Orig
Eott Energy Partners	1/22/02	Issuer Rating	Moody	B2 *-	B2	N.A.
K Mart Corp	1/22/02	Issuer Rating	Moody	Ca	Caa3 *-	Retail-Discount
Columbus Mckinnon Co	1/22/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	Machinery-Material Handl
Fleming Cos Inc	1/22/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Food-Wholesale/Distrib
Grupo Bimbo SA de CV	1/22/02	LT Foreign Issuer Credit	S&P	BB+ *-	BB+	N.A.
K MART Financing I	1/22/02	LT Foreign Issuer Credit	S&P	D	CCC- *-	Retail-Discount
K Mart Corp	1/22/02	LT Foreign Issuer Credit	S&P	D	CCC- *-	Retail-Discount
Orius Corp	1/22/02	LT Foreign Issuer Credit	S&P	CC *-	B-	Telecom Services
UAL Corp	1/22/02	LT Foreign Issuer Credit	S&P	B+ *-	BB- *-	Airlines
United AirLines Inc	1/22/02	LT Foreign Issuer Credit	S&P	B+ *-	BB- *-	Airlines
Crescent Real Estate	1/23/02	LT Foreign Issuer Credit	S&P	BB *-	BB	REITS-Office Property
Crescent Real Estate	1/23/02	LT Foreign Issuer Credit	S&P	BB *-	BB	REITS-Office Property
Eott Energy Partners	1/23/02	LT Foreign Issuer Credit	S&P	BB *-	BB	N.A.
Orbital Sciences Corp	1/23/02	LT Foreign Issuer Credit	S&P	B	B+ *-	Aerospace/Defense-Equip
YPF SA	1/23/02	LT Foreign Issuer Credit	S&P	B+ *-	BB- *	Oil Comp-Integrated
Crescent Real Estate	1/23/02	LT Local Issuer Credit	S&P	BB *-	BB	REITS-Office Property
Crescent Real Estate	1/23/02	LT Local Issuer Credit	S&P	BB *-	BB	REITS-Office Property
Eott Energy Partners	1/23/02	LT Local Issuer Credit	S&P	BB *-	BB	N.A.
Orbital Sciences Corp	1/23/02	LT Local Issuer Credit	S&P	B	B+ *-	Aerospace/Defense-Equip

Chanin Capital Partners Announces New Associate

Chanin Capital Partners is pleased to announce that David MacGreevey has joined our New York office as an Associate, effective Monday, January 28, 2002. David brings to chanin valuable financial restructuring experience, including financial models, term sheets, valuations, and mergers & acquisitions. David previously held positions at Zolfo Cooper, LLC and Ernst & Young, LLP, and is a Certified Public Accountant in New York.



CHANIN CAPITAL PARTNERS

Los Angeles

11100 Santa Monica Blvd., 8th Floor
 Los Angeles, CA 90025
 Phone: (310) 445-4010
 Fax: (310) 445-4028

Dallas

5605 North MacArthur Blvd, Suite 1019
 Irving, TX 75038
 Phone: (214) 596-9933
 Fax: (214) 596-9944

New York

330 Madison Avenue, 11th Floor
 New York, NY 10017
 Phone: (212) 758-2629
 Fax: (212) 758-2628



CHANIN CAPITAL PARTNERS
HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 02 / 02

Week of January 25, 2002

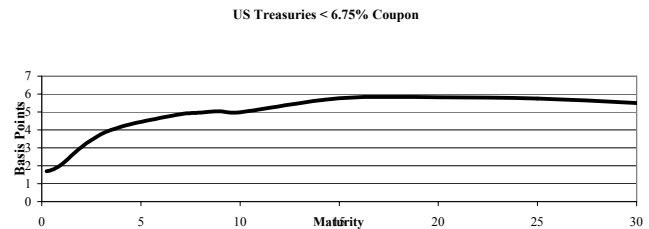
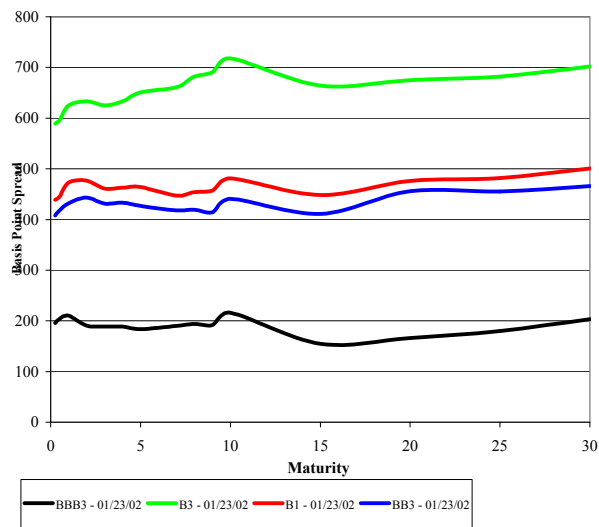
Featured Chanin Transaction



CASINO • HOTEL • SPA • GOLF

Chanin Capital Partners acted as financial advisor to the Company in connection with the sale of substantially all of the Company's assets in a Section 363 sale for \$80 million

Corporate Bond Spreads to US Treasury Notes with Coupons < 6.75%



Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B3	(184)	(153)	(24)	(119)
B1	(80)	(128)	4	(13)
BB3	(27)	(104)	9	(3)
BBB3	(33)	(36)	(28)	(21)



CHANIN CAPITAL PARTNERS

Los Angeles
 11100 Santa Monica Blvd., 8th Floor
 Los Angeles, CA 90025
 Phone: (310) 445-4010
 Fax: (310) 445-4028

Dallas
 5605 North MacArthur Blvd, Suite 1019
 Irving, TX 75038
 Phone: (214) 596-9933
 Fax: (214) 596-9944

New York
 330 Madison Avenue, 11th Floor
 New York, NY 10017
 Phone: (212) 758-2629
 Fax: (212) 758-2628

www.chanin.com