

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 16 / 02



CHANIN CAPITAL PARTNERS
A SPECIALTY INVESTMENT BANK

WEEK OF AUGUST 9, 2002
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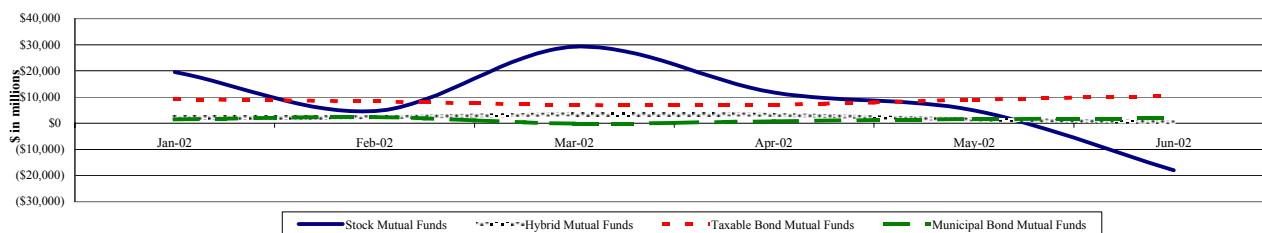
Key Market Indicators

	August 9, 2002		2 Week	2 Week	2 Week	2 Week	YTD	YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	
DJIA	8,712.02	8,745.45	8,745.45	8,043.63	33.57	0.39%	-1,276.05	-12.73%	
Nasdaq	1,316.52	1,306.12	1,344.19	1,206.01	-29.13	-2.18%	-644.28	-33.03%	
S&P 500	905.46	908.64	911.62	834.60	9.68	1.08%	-239.44	-20.86%	
Russell 2000	389.84	388.45	400.91	367.12	-12.36	-3.08%	-100.05	-20.48%	
OEX Volatility Index	39.80	39.36	49.31	33.73	5.63	16.69%	16.14	69.51%	
Prime Rate	4.75%								
LIBOR	1 month		6 months	1 Year					
	1.78%		1.74%	1.71%	1.78%				

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

	Jun-02	May-02	Apr-02	Mar-02	Feb-02	Jan-02	YTD 2002
Stock Mutual Funds	(\$18,045)	\$4,828	\$11,756	\$29,275	\$4,690	\$19,600	\$52,104
Hybrid Mutual Funds	\$395	\$1,448	\$3,155	\$3,392	\$2,335	\$2,240	\$12,965
Taxable Bond Funds	\$10,428	\$9,062	\$7,040	\$6,923	\$8,331	\$9,140	\$50,924
Municipal Bond Funds	\$1,801	\$1,538	\$774	(\$118)	\$2,340	\$1,461	\$7,796

Net New Cash Flow of Long-Term Funds



Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)

Index	Jun-02 Level	May-02 Level	Apr-02 Level	Jun-02 Month Return	YTD Return
Altman-NYU Defaulted Bank Loans Index	126.0	127.8	127.8	-1.64%	7.70%
Altman-NYU Defaulted Public Bonds Index	67.8	64.6	60.3	-3.62%	-4.84%
Combined Bank Loan-Public Bond Index	100.3	102.8	103.5	-2.42%	3.15%
S&P 500 (Dividends Reinvested)	168.3	181.2	182.5	-7.12%	-13.15%
Salomon Smith Barney High Yield Index	129.7	142.3	144.0	-8.81%	-6.65%

Distressed Lending News

Story Description	Size (\$mil)	Date	Source
Special Metals Gets Waiver for DIP Loan Default	n/a	8/2/02	DBR
E.spire Seeks Court OK for Amendment to \$80 Million DIP Loan	\$80.0	8/5/02	DBR
Adelphia Communications Final DIP Loan Hearing Postponed to Aug. 22	\$1,500.0	8/7/02	DBR

M&A Announced Transactions

Target	Acquirer	Value (\$mil)	Date	Industry
Credit Suisse Group-Office	Max Capital Management Corp	\$744.00	7/24/02	Real Estate; Mortgage Bankers and Brokers
Mead Westvaco Corp-Alabama Mil	Smurfit-Stone Container Corp	\$375.00	7/24/02	Paper and Allied Products
Premier Inc-CTS Business	Aramark Corp	\$100.00	7/24/02	Repair Services
PricewaterhouseCoopers LLP	FTI Consulting Inc	\$227.03	7/24/02	Business Services
Williams Communications Group	Level 3 Communications Inc	\$1,130.00	7/24/02	Telecommunications



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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.



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M&A Announced Transactions (continued)

Target	Acquirer	Value (\$mil)	Date	Industry
AYR Networks Inc	Cisco Systems Inc	\$113.00	7/25/02	Business Services
Barclays Financial Building	Vallehermoso SA	\$133.85	7/25/02	Real Estate; Mortgage Bankers and Brokers
Burger King Corp(Diageo PLC)	Investor Group	\$2,260.00	7/25/02	Retail Trade-Eating and Drinking Places
El Paso Corp-Cert Mdstream Ass	El Paso Energy Partners LP	\$782.00	7/25/02	Oil and Gas; Petroleum Refining
International Specialty Prods	Samuel J Heyman	\$133.57	7/26/02	Chemicals and Allied Products
Netro Corp	Wyndcrest Holdings LLC	\$250.24	7/26/02	Communications Equipment
Saks Fifth Avenue-Credit Bus	Household International Inc	\$300.00	7/26/02	Business Services
Thoms Proestler Co	Performance Food Group Co	\$103.62	7/26/02	Wholesale Trade-Nondurable Goods
Tremont Corp	Valhi Inc	\$105.03	7/26/02	Metal and Metal Products
Williams Communications Group	Leucadia National Corp	\$330.00	7/26/02	Telecommunications
NCS HealthCare Inc	Omnicare Inc	\$291.38	7/29/02	Miscellaneous Retail Trade
NCS HealthCare Inc	Genesis Health Ventures Inc	\$245.00	7/29/02	Miscellaneous Retail Trade
Northern Natural Gas(Enron)	MidAmerican Energy Holdings	\$1,878.00	7/29/02	Electric, Gas, and Water Distribution
Aquasource Inc-Water Utilities	Philadelphia Suburban Corp	\$205.00	7/30/02	Electric, Gas, and Water Distribution
Cook Group Inc	Guidant Corp(Eli Lilly & Co)	\$2,301.33	7/30/02	Measuring, Medical, Photo Equipment; Clocks
International Multifoods-Distr	Wellspring Capital Mgmt LLC	\$180.00	7/30/02	Transportation and Shipping (except air)
PwCC Ltd	IBM Corp	\$3,500.00	7/30/02	Business Services
Cove Point Facility LNG LLP	Dominion Resources Inc	\$217.00	7/31/02	Electric, Gas, and Water Distribution
Prime Retail Inc-Outlet Center	PFV Venture LLC	\$118.70	7/31/02	Real Estate; Mortgage Bankers and Brokers
VIB Corp	Rabobank Nederland	\$213.32	7/31/02	Commercial Banks, Bank Holding Companies
Williams Prod Rocky Mt Co-	Encana Oil & Gas (USA) Inc	\$350.00	7/31/02	Oil and Gas; Petroleum Refining
John Frieda Professional Hair	Andrew Jergens Co(Kao Corp)	\$450.00	8/1/02	Soaps, Cosmetics, and Personal-Care Products
Oaktree LLC,Mapletree LLC	Enterprise Products Partners	\$1,200.00	8/1/02	Oil and Gas; Petroleum Refining
Omega Worldwide Inc	Four Seasons Health Care Ltd	\$119.03	8/1/02	Investment & Commodity Firms,Dealers,Exch.
Office Building,Chicago,IL	Investor Group	\$285.00	8/2/02	Real Estate; Mortgage Bankers and Brokers
BrokerTec Global-Bond Ops	ICAP PLC	\$241.19	8/5/02	Investment & Commodity Firms,Dealers,Exch.
Chef America Inc	Nestle SA	\$2,600.00	8/6/02	Food and Kindred Products
Nobel Learning Communities Inc	Investor Group	\$105.14	8/6/02	Educational Services
Coho Energy Inc-Oil & Gas	Citation Oil & Gas	\$172.50	8/7/02	Oil and Gas; Petroleum Refining
Exco Resources Inc	Douglas H Miller	\$200.02	8/7/02	Oil and Gas; Petroleum Refining
Hollywood Casino Corp	Penn National Gaming Inc	\$892.35	8/7/02	Hotels and Casinos

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Cereol	7/25/02	LT Foreign Issuer Credit	S&P	BB+ **	BB+ *	Agricultural Operations
US Timberlands Klamath Falls	7/25/02	LT Foreign Issuer Credit	S&P	CCC+	CCC- *	Forestry
Cereol	7/25/02	LT Local Issuer Credit	S&P	BB+ **	BB+ *	Agricultural Operations
US Timberlands Klamath Falls	7/25/02	LT Local Issuer Credit	S&P	CCC+	CCC- *	Forestry
Key Energy Services	7/26/02	LT Foreign Issuer Credit	S&P	BB	BB- **	Oil-Field Services
Solutia Inc	7/26/02	LT Foreign Issuer Credit	S&P	BB	BB- *	Chemicals-Diversified
Transneft	7/26/02	LT Foreign Issuer Credit	S&P	BB-	B+	Pipelines
Key Energy Services	7/26/02	LT Local Issuer Credit	S&P	BB	BB- **	Oil-Field Services
Solutia Inc	7/26/02	LT Local Issuer Credit	S&P	BB	BB- *	Chemicals-Diversified
Transneft	7/26/02	LT Local Issuer Credit	S&P	BB-	B+	Pipelines
Group 1 Automotive Inc	7/26/02	Senior Implied Issuer	Moody	Ba3 **	Ba3	Retail-Automobile
Group 1 Automotive Inc	7/26/02	Senior Subordinate	Moody	B2 **	B2	Retail-Automobile
Booth Creek SKI Holdings	7/29/02	LT Foreign Issuer Credit	S&P	B-	B- *	Resorts/Theme Parks
Budget Group Inc	7/29/02	LT Foreign Issuer Credit	S&P	D	SD	Rental Auto/Equipment
City of St Petersburg	7/29/02	LT Foreign Issuer Credit	S&P	BB-	B+	Municipal-City
Moscow Russia (City of)	7/29/02	LT Foreign Issuer Credit	S&P	BB-	B+	Sovereign
Northern Natural Gas	7/29/02	LT Foreign Issuer Credit	S&P	B+ **	B+ *	Oil & Gas Drilling
Scientific Games Corp	7/29/02	LT Foreign Issuer Credit	S&P	BB-	B+ **	Casino Services
Willis Group Holding	7/29/02	LT Foreign Issuer Credit	S&P	BB+	BB	Insurance Brokers
Booth Creek SKI Holdings	7/29/02	LT Local Issuer Credit	S&P	B-	B- *	Resorts/Theme Parks
Budget Group Inc	7/29/02	LT Local Issuer Credit	S&P	D	SD	Rental Auto/Equipment
City of St Petersburg	7/29/02	LT Local Issuer Credit	S&P	BB-	B+	Municipal-City
Northern Natural Gas	7/29/02	LT Local Issuer Credit	S&P	B+ **	B+ *	Oil & Gas Drilling
Scientific Games Corp	7/29/02	LT Local Issuer Credit	S&P	BB-	B+ **	Casino Services
Willis Group Holding	7/29/02	LT Local Issuer Credit	S&P	BB+	BB	Insurance Brokers
YPF SA	7/29/02	Senior Implied Issuer	Moody	B1	B1 *	Oil Comp-Integrated
Maxus Energy Corp	7/29/02	Senior Unsecured Debt	Moody	B1	B1 *	Oil Comp-Explor & Prodn



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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
AgriLink Foods Inc	7/30/02	Bank Loan Debt	Moody	Ba3	B1	Food-Canned
New World Pasta Co	7/31/02	LT Foreign Issuer Credit	S&P	B+	B	Food-Flour & Grain
Pacer International	7/31/02	LT Foreign Issuer Credit	S&P	BB-	B+ **	Transport-Services
New World Pasta Co	7/31/02	LT Local Issuer Credit	S&P	B+	B	Food-Flour & Grain
Pacer International	7/31/02	LT Local Issuer Credit	S&P	BB-	B+ **	Transport-Services
Clean Harbors Inc	8/1/02	LT Foreign Issuer Credit	S&P	BB-	B	Remediation Services
LDM Technologies	8/1/02	LT Foreign Issuer Credit	S&P	B-	CC *-	Auto/Trk Prts & Equip-Orig
Venture Holdings Trust	8/1/02	LT Foreign Issuer Credit	S&P	CCC *-	SD	Consulting Services
Clean Harbors Inc	8/1/02	LT Local Issuer Credit	S&P	BB-	B	Remediation Services
LDM Technologies	8/1/02	LT Local Issuer Credit	S&P	B-	CC *-	Auto/Trk Prts & Equip-Orig
Venture Holdings Trust	8/1/02	LT Local Issuer Credit	S&P	CCC *-	SD	Consulting Services
Hawk Corp	8/2/02	LT Foreign Issuer Credit	S&P	B- **	B-	Metal Processors & Fabrica
Leiner Health Products	8/2/02	LT Foreign Issuer Credit	S&P	B	WR	Vitamins & Nutrition Prod
Primedia Inc	8/2/02	LT Foreign Issuer Credit	S&P	B	B *-	Publishing-Periodicals
Williams Scotsman Inc	8/2/02	LT Foreign Issuer Credit	S&P	B+	B **	Rental Auto/Equipment
Equitable Life Assurance	8/2/02	LT Local Issuer Credit	S&P	B	SD	Life/Health Insurance
Hawk Corp	8/2/02	LT Local Issuer Credit	S&P	B- **	B-	Metal Processors & Fabrica
Leiner Health Products	8/2/02	LT Local Issuer Credit	S&P	B	WR	Vitamins & Nutrition Prod
Primedia Inc	8/2/02	LT Local Issuer Credit	S&P	B	B *-	Publishing-Periodicals
Williams Scotsman Inc	8/2/02	LT Local Issuer Credit	S&P	B+	B **	Rental Auto/Equipment
Companhia Energetica	8/5/02	Senior Unsecured Debt	Moody	Ba1	Ba1 *-	Electric-Integrated
American Express Bank	8/6/02	LT Foreign Issuer Credit	S&P	B	B *-	N.A.
Citibank NA/Uruguay	8/6/02	LT Foreign Issuer Credit	S&P	B	B *-	N.A.
Discount Bank	8/6/02	LT Foreign Issuer Credit	S&P	B	B *-	N.A.
Rent-A-Center Inc	8/6/02	LT Foreign Issuer Credit	S&P	BB	BB- **	Rental Auto/Equipment
American Express Bank	8/6/02	LT Local Issuer Credit	S&P	B	B *-	N.A.
Citibank NA/Uruguay	8/6/02	LT Local Issuer Credit	S&P	B	B *-	N.A.
Discount Bank	8/6/02	LT Local Issuer Credit	S&P	B	B *-	N.A.
Rent-A-Center Inc	8/6/02	LT Local Issuer Credit	S&P	BB	BB- **	Rental Auto/Equipment
Ferrellgas Partners	8/7/02	LT Foreign Issuer Credit	S&P	BB-	B+	Retail-Propane Distrib
Ferrellgas Partners	8/7/02	LT Local Issuer Credit	S&P	BB-	B+	Retail-Propane Distrib

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Genuity Inc	7/25/02	Bank Loan Debt	Moody	Ca	Ba1 *-	Web Hosting/Design
Dynege Holdings Inc	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Pipelines
Dynege Inc	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Pipelines
Eletropaulo Metropol	7/25/02	LT Foreign Issuer Credit	S&P	CCC *-	B	Electric-Distribution
Genuity Inc	7/25/02	LT Foreign Issuer Credit	S&P	CCC *-	BB *-	Web Hosting/Design
Illinois Power Co	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
Illinova Corp	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
Northern Natural Gas	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BBB- *	Oil & Gas Drilling
Northwest Pipeline Corp	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Schuff International	7/25/02	LT Foreign Issuer Credit	S&P	B	B+	Building & Construct-Misc
Sun World International	7/25/02	LT Foreign Issuer Credit	S&P	B-	B- **	Miscellaneous Manufacturer
Texas Gas Transmissions	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Transcontinental Gas	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Williams Cos Inc	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Williams Gas Pipeline	7/25/02	LT Foreign Issuer Credit	S&P	B+ *-	BB+ *-	Gas-Transportation
CA Seguros Catatumbo	7/25/02	LT Local Issuer Credit	S&P	Bpi	BBpi	Multi-line Insurance
Dynege Holdings Inc	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Pipelines
Dynege Inc	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Pipelines
Eletropaulo Metropol	7/25/02	LT Local Issuer Credit	S&P	CCC *-	B	Electric-Distribution
Genuity Inc	7/25/02	LT Local Issuer Credit	S&P	CCC *-	BB *-	Web Hosting/Design
Illinois Power Co	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
Illinova Corp	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
Northern Natural Gas	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BBB- *	Oil & Gas Drilling
Northwest Pipeline Corp	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Schuff International	7/25/02	LT Local Issuer Credit	S&P	B	B+	Building & Construct-Misc
Sun World International	7/25/02	LT Local Issuer Credit	S&P	B-	B- **	Miscellaneous Manufacturer
Texas Gas Transmissions	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines



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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Transcontinental Gas	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Williams Cos Inc	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Pipelines
Williams Gas Pipeline	7/25/02	LT Local Issuer Credit	S&P	B+ *-	BB+ *-	Gas-Transportation
Atlantic Express Transportation	7/25/02	Senior Implied Issuer	Moody	Caa3	B2	Transport-Services
Hanover Compressor	7/25/02	Senior Implied Issuer	Moody	Ba2	Ba1	Oil-Field Services
Atlantic Express Transportation	7/25/02	Senior Secured Debt	Moody	Ca	B2	Transport-Services
Hanover Equipment	7/25/02	Senior Secured Debt	Moody	B1	Ba3	Oil-Field Services
Hanover Compressor	7/25/02	Senior Unsecured Debt	Moody	B1	Ba3	Oil-Field Services
TELUS Corp	7/25/02	Senior Unsecured Debt	Moody	Ba1	Baa2 *-	Telecom Services
Telefonaktiebolaget	7/26/02	Bank Loan Debt	Moody	Ba1 *-	Baa3 *-	Telecommunication Equip
American Express Bank	7/26/02	LT Foreign Issuer Credit	S&P	B	BB-	N.A.
Banco Comercial SA	7/26/02	LT Foreign Issuer Credit	S&P	B *-	B *	Commer Banks Non-US
Citibank NA/Uruguay	7/26/02	LT Foreign Issuer Credit	S&P	B	BB-	N.A.
Discount Bank	7/26/02	LT Foreign Issuer Credit	S&P	B	BB-	N.A.
NRG Energy Inc	7/26/02	LT Foreign Issuer Credit	S&P	BB *-	BBB	Independ Power Producer
NRG South Central LLC	7/26/02	LT Foreign Issuer Credit	S&P	BB *-	BBB-	Independ Power Producer
American Express Bank	7/26/02	LT Local Issuer Credit	S&P	B	BB-	N.A.
Banco Comercial SA	7/26/02	LT Local Issuer Credit	S&P	B *-	B *	Commer Banks Non-US
Citibank NA/Uruguay	7/26/02	LT Local Issuer Credit	S&P	B	BB-	N.A.
Discount Bank	7/26/02	LT Local Issuer Credit	S&P	B	BB-	N.A.
NRG Energy Inc	7/26/02	LT Local Issuer Credit	S&P	BB *-	BBB	Independ Power Producer
NRG South Central LLC	7/26/02	LT Local Issuer Credit	S&P	BB *-	BBB-	Independ Power Producer
Telefonaktiebolaget	7/26/02	Senior Unsecured Debt	Moody	Ba1 *-	Baa3 *-	Telecommunication Equip
Corning Inc	7/29/02	Bank Loan Debt	Moody	Ba2	Baa3 *-	Telecom Eq Fiber Optics
OAK Industries Inc	7/29/02	Equity Linked	Moody	Ba3	Ba1 *-	Electronic Compo-Misc
Administracion Nacio	7/29/02	LT Foreign Issuer Credit	S&P	B	BB-	N.A.
Corning Inc	7/29/02	LT Foreign Issuer Credit	S&P	BB+	BBB-	Telecom Eq Fiber Optics
Grupo Iusacell SA de	7/29/02	LT Foreign Issuer Credit	S&P	B+	BB	Cellular Telecom
Interface Inc	7/29/02	LT Foreign Issuer Credit	S&P	BB-	BB	Office Furnishings-Orig
NRG Northeast Genera	7/29/02	LT Foreign Issuer Credit	S&P	BB *-	BBB-	Electric-Integrated
Administracion Nacio	7/29/02	LT Local Issuer Credit	S&P	B	BB-	N.A.
Corning Inc	7/29/02	LT Local Issuer Credit	S&P	BB+	BBB-	Telecom Eq Fiber Optics
Grupo Iusacell SA de	7/29/02	LT Local Issuer Credit	S&P	B+	BB	Cellular Telecom
Interface Inc	7/29/02	LT Local Issuer Credit	S&P	BB-	BB	Office Furnishings-Orig
NRG Northeast Genera	7/29/02	LT Local Issuer Credit	S&P	BB *-	BBB-	Electric-Integrated
Corning Inc	7/29/02	Senior Unsecured Debt	Moody	Ba2	Baa3 *-	Telecom Eq Fiber Optics
NRG Energy Inc	7/29/02	Senior Unsecured Debt	Moody	B1 *-	Baa3 *-	Independ Power Producer
Land O'Lakes Inc	7/30/02	Bank Loan Debt	Moody	Ba2 *-	Ba2	Food-Dairy Products
Alpharma Corp	7/30/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	N.A.
Alpharma Inc	7/30/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	Medical-Generic Drugs
Alpharma Operating Co	7/30/02	LT Foreign Issuer Credit	S&P	BB- *-	BB-	Medical-Generic Drugs
Orbital Sciences Corp	7/30/02	LT Foreign Issuer Credit	S&P	CCC+ *	B	Aerospace/Defense-Equip
Alpharma Corp	7/30/02	LT Local Issuer Credit	S&P	BB- *-	BB-	N.A.
Alpharma Inc	7/30/02	LT Local Issuer Credit	S&P	BB- *-	BB-	Medical-Generic Drugs
Alpharma Operating Co	7/30/02	LT Local Issuer Credit	S&P	BB- *-	BB-	Medical-Generic Drugs
Chang Hwa Bank	7/30/02	LT Local Issuer Credit	S&P	BBpi	BBBpi	Commer Banks Non-US
Orbital Sciences Corp	7/30/02	LT Local Issuer Credit	S&P	CCC+ *	B	Aerospace/Defense-Equip
Land O'Lakes Inc	7/30/02	Senior Implied Issuer	Moody	Ba2 *-	Ba2	Food-Dairy Products
Land O'Lakes Inc	7/30/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba3	Food-Dairy Products
Nichimen America Inc	7/30/02	Senior Unsecured Debt	Moody	B2	B1 *-	Distribution/Wholesale
Nichimen Corp	7/30/02	Senior Unsecured Debt	Moody	B1	Ba3 *-	Import/Export
Nichimen Europe Plc	7/30/02	Senior Unsecured Debt	Moody	B2	B1 *-	Import/Export
Nichimen Hong Kong	7/30/02	Senior Unsecured Debt	Moody	B2	B1 *-	Distribution/Wholesale
Rayovac Corp	7/31/02	Bank Loan Debt	Moody	Ba2 *-	Ba2	Batteries/Battery Sys
Reliant Energy Capital	7/31/02	Bank Loan Debt	Moody	Ba3 *-	Baa3 *-	Electric-Transmission
Reliant Resources Inc	7/31/02	Bank Loan Debt	Moody	Ba3 *-	Baa3 *-	Independ Power Producer
Orion Power Holdings	7/31/02	Equity Linked	Moody	Ba3 *-	Ba1 **	Independ Power Producer
Banco Bilbao Vizcaya	7/31/02	Foreign Currency LT Debt	S&P	B *-	B	N.A.
Banco de Montevideo	7/31/02	Foreign Currency LT Debt	Moody	Caa1	B1	Commer Banks Non-US
Oriental Republic of	7/31/02	Foreign Currency LT Debt	Moody	B3	B1	Sovereign



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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Uruguay Government B	7/31/02	Foreign Currency LT Debt	Moody	B3	B1	Sovereign
Uruguay Government I	7/31/02	Foreign Currency LT Debt	Moody	B3	B1	Sovereign
Uruguay Treasury Bil	7/31/02	Foreign Currency LT Debt	Moody	B3	B1	Sovereign
Petroleum Geo-Services	7/31/02	JR Subordinated Debt	Moody	B2 *-	Ba2	Oil-Field Services
Banco Bilbao Vizcaya	7/31/02	Local Currency LT Debt	S&P	B *-	B	N.A.
ABN Amro Bank NV/Mon	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Banco ACACSA	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Banco Comercial SA	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	Commer Banks Non-US
Banco de Montevideo	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	Commer Banks Non-US
Banco Santander/Urug	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Banco Surinvest SA d	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Bank Nazionale del L	7/31/02	Long Term Bank Deposits	Moody	Caa1	B1 *-	N.A.
BankBoston NA/Urugua	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Lloyds TSB Bank PLC/	7/31/02	Long Term Bank Deposits	Moody	Caa1	B3	N.A.
Alaska Communication	7/31/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Telecom Services
Alaska Communication	7/31/02	LT Foreign Issuer Credit	S&P	BB *-	BB	Telephone-Integrated
Alestra SA	7/31/02	LT Foreign Issuer Credit	S&P	CC	CCC+ *-	Telecom Services
American Express Bank	7/31/02	LT Foreign Issuer Credit	S&P	B *-	B	N.A.
Avaya Inc	7/31/02	LT Foreign Issuer Credit	S&P	BB+ *-	BB+	Telecommunication Equip
Citibank NA/Uruguay	7/31/02	LT Foreign Issuer Credit	S&P	B *-	B	N.A.
Discount Bank	7/31/02	LT Foreign Issuer Credit	S&P	B *-	B	N.A.
Elan Corp Plc	7/31/02	LT Foreign Issuer Credit	S&P	B-	BB- *-	Medical-Drugs
Oslo Seismic Service	7/31/02	LT Foreign Issuer Credit	S&P	BB-	BBB-	Environ Monitoring & Det
Petroleum Geo-Services	7/31/02	LT Foreign Issuer Credit	S&P	BB-	BBB- *-	Oil-Field Services
PG&E Energy Trading	7/31/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB+	N.A.
PG&E Generating Co	7/31/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB	Special Purpose Entity
PG&E National Energy	7/31/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB	Inactive/Unknown
USGen New England Inc	7/31/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB	Electric-Integrated
Veritas DGC Inc	7/31/02	LT Foreign Issuer Credit	S&P	BB+	BB+ **	Seismic Data Collection
Alaska Communication	7/31/02	LT Local Issuer Credit	S&P	BB *-	BB	Telecom Services
Alaska Communication	7/31/02	LT Local Issuer Credit	S&P	BB *-	BB	Telephone-Integrated
Alestra SA	7/31/02	LT Local Issuer Credit	S&P	CC	CCC+ *-	Telecom Services
American Express Bank	7/31/02	LT Local Issuer Credit	S&P	B *-	B	N.A.
Avaya Inc	7/31/02	LT Local Issuer Credit	S&P	BB+ *-	BB+	Telecommunication Equip
Citibank NA/Uruguay	7/31/02	LT Local Issuer Credit	S&P	B *-	B	N.A.
Discount Bank	7/31/02	LT Local Issuer Credit	S&P	B *-	B	N.A.
Elan Corp Plc	7/31/02	LT Local Issuer Credit	S&P	B-	BB- *-	Medical-Drugs
Oslo Seismic Service	7/31/02	LT Local Issuer Credit	S&P	BB-	BBB-	Environ Monitoring & Det
Petroleum Geo-Services	7/31/02	LT Local Issuer Credit	S&P	BB-	BBB- *-	Oil-Field Services
PG&E Energy Trading	7/31/02	LT Local Issuer Credit	S&P	BB+ *-	BBB+	N.A.
PG&E Generating Co	7/31/02	LT Local Issuer Credit	S&P	BB+ *-	BBB	Special Purpose Entity
PG&E National Energy	7/31/02	LT Local Issuer Credit	S&P	BB+ *-	BBB	Inactive/Unknown
USGen New England Inc	7/31/02	LT Local Issuer Credit	S&P	BB+ *-	BBB	Electric-Integrated
Veritas DGC Inc	7/31/02	LT Local Issuer Credit	S&P	BB+	BB+ **	Seismic Data Collection
Rayovac Corp	7/31/02	Senior Implied Issuer	Moody	Ba3 *-	Ba3	Batteries/Battery Sys
Oslo Seismic Service	7/31/02	Senior Secured Debt	Moody	Ba2 *-	Baa3	Environ Monitoring & Det
Banco Comercial SA	7/31/02	Senior Unsecured Debt	Moody	Caa1	B1	Commer Banks Non-US
Orion Power Holdings	7/31/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba1 **	Independ Power Producer
Petroleum Geo-Services	7/31/02	Senior Unsecured Debt	Moody	Ba3 *-	Ba1	Oil-Field Services
Banco Comercial SA	7/31/02	Subordinated Debt	Moody	Caa1	B2	Commer Banks Non-US
Metaldyne Corp	8/1/02	LT Foreign Issuer Credit	S&P	BB-	BB- **	N.A.
Mikohn Gaming Corp	8/1/02	LT Foreign Issuer Credit	S&P	B *-	B *	Casino Services
Telefonaktiebolaget	8/1/02	LT Foreign Issuer Credit	S&P	BB+ *-	BBB- *-	Telecommunication Equip
Metaldyne Corp	8/1/02	LT Local Issuer Credit	S&P	BB-	BB- **	N.A.
Mikohn Gaming Corp	8/1/02	LT Local Issuer Credit	S&P	B *-	B *	Casino Services
Telefonaktiebolaget	8/1/02	LT Local Issuer Credit	S&P	BB+ *-	BBB- *-	Telecommunication Equip
Mikohn Gaming Corp	8/1/02	Senior Implied Issuer	Moody	B3 *-	B2	Casino Services
Mikohn Gaming Corp	8/1/02	Senior Unsecured Debt	Moody	B3 *-	B3	Casino Services
Atlantic Express Transportation	8/2/02	LT Foreign Issuer Credit	S&P	D	CC	Transport-Services
Conseco Finance Corp	8/2/02	LT Foreign Issuer Credit	S&P	CCC+	B-	Finance-Mtge Loan/Banker



CHANIN CAPITAL PARTNERS

Dallas London Los Angeles New York

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Issue 16/02

Week of August 9, 2002

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Empresas ICA Socieda	8/2/02	LT Foreign Issuer Credit	S&P	CCC *-	B	Building-Heavy Construct
Pueblo Xtra International	8/2/02	LT Foreign Issuer Credit	S&P	CC	CCC+	Food-Retail
Song Networks NV	8/2/02	LT Foreign Issuer Credit	S&P	D	CC *-	Telecom Services
Trenwick Group Ltd	8/2/02	LT Foreign Issuer Credit	S&P	BB	BBB-	Reinsurance
Atlantic Express Transportation	8/2/02	LT Local Issuer Credit	S&P	D	CC	Transport-Services
Bankers Life & Casualty	8/2/02	LT Local Issuer Credit	S&P	B+	BB+	N.A.
Conseco Finance Corp	8/2/02	LT Local Issuer Credit	S&P	CCC+	B-	Finance-Mtge Loan/Banker
Conseco Inc	8/2/02	LT Local Issuer Credit	S&P	CCC+	B	Life/Health Insurance
Conseco Life Insurance	8/2/02	LT Local Issuer Credit	S&P	B+	BB+	N.A.
Conseco Variable Ins	8/2/02	LT Local Issuer Credit	S&P	B+	BB+	Life/Health Insurance
Empresas ICA Socieda	8/2/02	LT Local Issuer Credit	S&P	CCC *-	B	Building-Heavy Construct
Pioneer Life Insurance	8/2/02	LT Local Issuer Credit	S&P	B+	BB+	N.A.
Pueblo Xtra International	8/2/02	LT Local Issuer Credit	S&P	CC	CCC+	Food-Retail
Song Networks NV	8/2/02	LT Local Issuer Credit	S&P	D	CC *-	Telecom Services
Trenwick America Corp	8/2/02	LT Local Issuer Credit	S&P	BB	BBB-	Property/Casualty Ins
Trenwick Group Ltd	8/2/02	LT Local Issuer Credit	S&P	BB	BBB-	Reinsurance
Trenwick International	8/2/02	LT Local Issuer Credit	S&P	BB+	A-	N.A.
Universal Reinsurance	8/2/02	LT Local Issuer Credit	S&P	Bpi	BBpi	N.A.
Eott Energy Partners	8/2/02	Senior Implied Issuer	Moody	Caa1	B3 *	Oil Refining & Marketing
Globo Comunicacoes e	8/2/02	Senior Implied Issuer	Moody	B3	B1 *-	Telecom Services
American Life Holdings	8/2/02	Senior Subordinate	Moody	Ca	Caa2	Life/Health Insurance
Conseco Inc	8/2/02	Senior Subordinate	Moody	Ca	Caa2	Life/Health Insurance
CCP Insurance Inc	8/2/02	Senior Unsecured Debt	Moody	Caa3	Caa1	Life/Health Insurance
Cia Riograndense de	8/2/02	Senior Unsecured Debt	Moody	Ba2 *-	Ba1	Water Treatment Systems
Conseco Finance Corp	8/2/02	Senior Unsecured Debt	Moody	Caa3	Caa1	Finance-Mtge Loan/Banker
Conseco Inc	8/2/02	Senior Unsecured Debt	Moody	Caa3	Caa1	Life/Health Insurance
Eott Energy Partners	8/2/02	Senior Unsecured Debt	Moody	Caa2	B3 *	Oil Refining & Marketing
Globo Comunicacoes e	8/2/02	Senior Unsecured Debt	Moody	B3	B1 *-	Telecom Services
Great Atlantic & Pacific Tea Co	8/5/02	Bank Loan Debt	Moody	Ba2 *-	Ba2	Food-Retail
Great Atlantic & Pacific Tea Co	8/5/02	Bank Loan Debt	Moody	Ba2 *-	Ba2	Food-Retail
PG&E National Energy	8/5/02	Bank Loan Debt	Moody	Ba2	Baa2	Inactive/Unknown
Telewest Communications	8/5/02	Bank Loan Debt	Moody	B3	B2	N.A.
Great Atlantic & Pacific Tea Co	8/5/02	JR Subordinated Debt	Moody	B3 *-	B3	Food-Retail
Cia de Saneamento do	8/5/02	Local Currency LT Debt	Moody	Ba1	Baa2 *-	Water
Amkor Technology Inc	8/5/02	LT Foreign Issuer Credit	S&P	B	B+	Semiconductor Equipment
Banco Comercial SA	8/5/02	LT Foreign Issuer Credit	S&P	D	B *-	Commer Banks Non-US
Coral Group Holdings	8/5/02	LT Foreign Issuer Credit	S&P	B+ *-	B+	Gambling (Non-Hotel)
Oglebay Norton Co	8/5/02	LT Foreign Issuer Credit	S&P	B	B+	Bldg Prod-Cement/Aggreg
Pueblo Xtra Internat	8/5/02	LT Foreign Issuer Credit	S&P	D	CC	Food-Retail
Amkor Technology Inc	8/5/02	LT Local Issuer Credit	S&P	B	B+	Semiconductor Equipment
Banco Comercial SA	8/5/02	LT Local Issuer Credit	S&P	D	B *-	Commer Banks Non-US
Coral Group Holdings	8/5/02	LT Local Issuer Credit	S&P	B+ *-	B+	Gambling (Non-Hotel)
Oglebay Norton Co	8/5/02	LT Local Issuer Credit	S&P	B	B+	Bldg Prod-Cement/Aggreg
Pueblo Xtra International	8/5/02	LT Local Issuer Credit	S&P	D	CC	Food-Retail
Great Atlantic & Pacific Tea Co	8/5/02	Senior Implied Issuer	Moody	B1 *-	B1	Food-Retail
Pueblo Xtra International	8/5/02	Senior Implied Issuer	Moody	Caa3	Caa2	Food-Retail
Telewest Communications	8/5/02	Senior Implied Issuer	Moody	Caa2	Caa1	Telephone-Integrated
Cia Energetica de Br	8/5/02	Senior Unsecured Debt	Moody	Ba1	Baa3 *-	Electric-Integrated
Cia Energetica de Mi	8/5/02	Senior Unsecured Debt	Moody	Ba1 *-	Baa3 *-	Electric-Integrated
Cia Paranaense de En	8/5/02	Senior Unsecured Debt	Moody	Ba1 *-	Baa3 *-	Electric-Integrated
Great Atlantic & Pacific Tea Co	8/5/02	Senior Unsecured Debt	Moody	B2 *-	B2	Food-Retail
PG&E National Energy	8/5/02	Senior Unsecured Debt	Moody	Ba2	Baa2	Inactive/Unknown
Pueblo Xtra International	8/5/02	Senior Unsecured Debt	Moody	Ca	Caa3	Food-Retail
Telewest Communications	8/5/02	Senior Unsecured Debt	Moody	Ca	Caa3	Telephone-Integrated
Telewest Finance	8/5/02	Senior Unsecured Debt	Moody	Ca	Caa3	Special Purpose Entity
Great Atlantic & Pacific Tea Co	8/5/02	Subordinated Debt	Moody	B3 *-	B3	Food-Retail
Evercom Inc	8/6/02	LT Foreign Issuer Credit	S&P	D	CCC *-	Telecom Services
Level 3 Communications	8/6/02	LT Foreign Issuer Credit	S&P	CCC	CCC+ *-	Telephone-Integrated
Telewest Communications	8/6/02	LT Foreign Issuer Credit	S&P	CC *-	CCC+ *-	N.A.
Telewest Communications	8/6/02	LT Foreign Issuer Credit	S&P	CC *-	CCC+ *-	Telephone-Integrated





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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Evercom Inc	8/6/02	LT Local Issuer Credit	S&P	D	CCC *-	Telecom Services
Level 3 Communications	8/6/02	LT Local Issuer Credit	S&P	CCC	CCC+ *-	Telephone-Integrated
Telewest Communications	8/6/02	LT Local Issuer Credit	S&P	CC *-	CCC+ *-	N.A.
Telewest Communications	8/6/02	LT Local Issuer Credit	S&P	CC *-	CCC+ *-	Telephone-Integrated
Coral Group Holdings	8/6/02	Senior Implied Issuer	Moody	B1 *-	B1	Gambling (Non-Hotel)
Coral Group Holdings	8/6/02	Senior Subordinate	Moody	B3 *-	B3	Gambling (Non-Hotel)
Green Property Plc	8/7/02	LT Foreign Issuer Credit	S&P	BB *-	BBB- *-	Real Estate Oper/Develop
NRG Energy Inc	8/7/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Independ Power Producer
NRG Northeast	8/7/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
NRG South Central LLC	8/7/02	LT Foreign Issuer Credit	S&P	B+ *-	BB *-	Independ Power Producer
Edison Mission Energy	8/7/02	LT Local Issuer Credit	S&P	BB	BBB- *-	Finance-Other Services
First Insurance Co LLC	8/7/02	LT Local Issuer Credit	S&P	BBpi	BBBpi	Property/Casualty Ins
Green Property Plc	8/7/02	LT Local Issuer Credit	S&P	BB *-	BBB- *-	Real Estate Oper/Develop
NRG Energy Inc	8/7/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Independ Power Producer
NRG Northeast	8/7/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Electric-Integrated
NRG South Central LLC	8/7/02	LT Local Issuer Credit	S&P	B+ *-	BB *-	Independ Power Producer
Tai Ping Insurance Co	8/7/02	LT Local Issuer Credit	S&P	CCCpi	Bpi	Life/Health Insurance

Chanin Capital Partners Opens Office in London

Chanin Capital Partners is pleased to announce the opening of our first international office in the West End region of London. The London office will serve as a European base and will help broaden the transatlantic restructuring and cross-border merger and acquisition services that Chanin offers. Randall Lambert, a managing director of Chanin, will head the London office.

This new office is expected to build upon Chanin's success in providing restructuring and merger and acquisition advisory services to clients including companies, private equity sponsors, and high yield investors. Chanin has been increasingly active in European financial restructurings since the beginning of the year, and is currently involved in several European financial transactions, including Song Communications, a Swedish telecommunications company. Chanin opens this office in the wake of entering into a strategic alliance with Hawkpoint, an independent corporate finance advisory firm in London, to advise jointly on restructuring assignments that have combined European and US elements.

"We are very pleased to open an office in London. While we have a significant presence in the United States, we are seeing an increased level of financial transactions coming from Europe," commented Randall Lambert, managing director. "This office shows our commitment to the European marketplace, especially to over-leveraged companies in need of financial restructurings, while expanding the financing sources and opportunities for our current clients."

**The London office is located at:
10 Stratton Street
Suite 123
London, W1J 8LG, United Kingdom
Telephone: 44 20 7546 8653
Fax: 44 20 7546 8558**

Seeking Board of Directors Candidates

Chanin Capital Partners frequently assists reorganized companies with the selection of prospective Board of Director candidates. We would like to extend this opportunity to qualified professionals.

Candidates may have a varied background, both operationally and financially.

To inquire about possible opportunities, please contact Leslie Brownstein in the Los Angeles office. You may also forward your resume directly to her at lbrownstein@chanin.com.





Featured Chanin Transaction



Chanin Capital Partners arranged and structured a \$300 million credit facility and acted as financial advisor to the Company in connection with the chapter 11 reorganization of the Company

Chanin Capital Partners proudly announces the emergence of its client, Sunterra Corporation ("Sunterra"), from Chapter 11 bankruptcy proceedings, effective July 29, 2002. Sunterra and certain of its subsidiaries filed for Chapter 11 bankruptcy protection on May 31, 2000 in the United States Bankruptcy Court for the District of Maryland (Baltimore). The court confirmed Sunterra's Plan of Reorganization, supported by all of its major creditor groups, on June 20, 2002. Chanin has been providing investment banking services to Sunterra throughout the reorganization process.

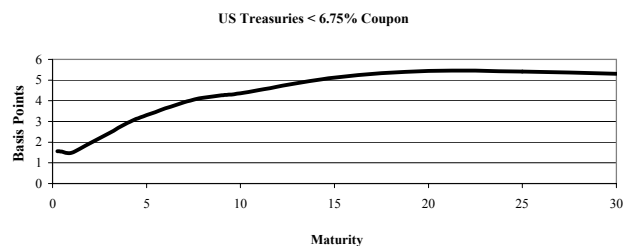
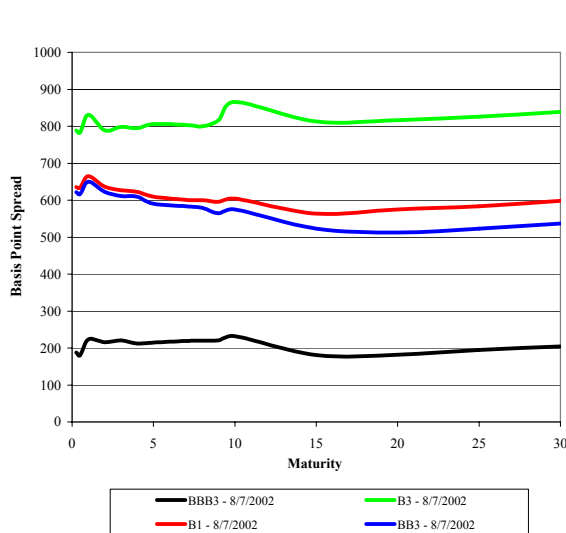
The capstone of Sunterra's two-year reorganization is the closing of a \$300 million financing facility provided by Merrill Lynch Mortgage Capital Inc. A portion of the financing will be used to retire the existing \$160 million debtor-in-possession loan from Greenwich Capital Markets, Inc., while the remainder will provide capital to fund post-emergence business operations. Chanin arranged and structured the Merrill Facility.

"In this very challenging financing environment, obtaining this level of capital for a company emerging from Chapter 11 is a testament to Sunterra's new business plan, its outstanding management team and its very dedicated employees worldwide," said Mark Rubin, senior vice president who led the Chanin engagement team.

"We would not be where we are today with a confirmed plan and the Merrill financing without the expertise and diligence of every member of Chanin who has been involved in this case," said Nicholas Benson, CEO of Sunterra.

Sunterra Corporation is one of the world's largest vacation ownership companies, with owner families and resorts in North America, Europe, the Pacific and the Caribbean.

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	44	173	118	112
B1	51	179	140	170
BB3	43	208	156	184
BBB3	7	25	22	1

