

# HIGH YIELD & DISTRESSED MARKET REVIEW



Issue 12

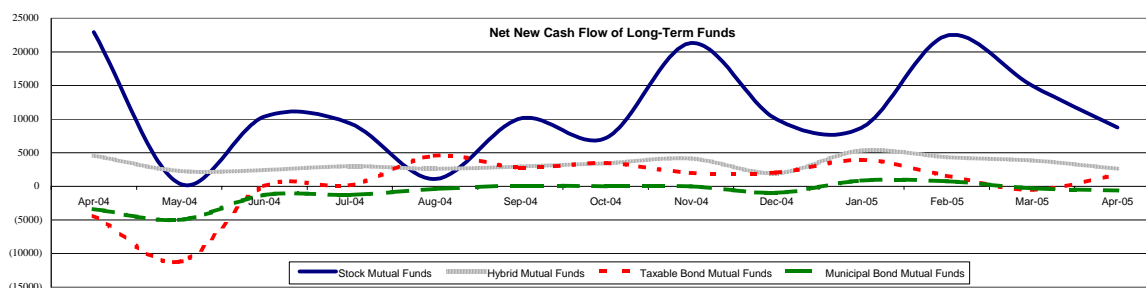
Week ending June 10, 2005

## Key Market Indicators

	June 10, 2005		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	10,503.02	10,512.63	10,553.49	10,460.97	(29.92)	(0.28%)	(270.38)	(2.61%)
Nasdaq	2,076.91	2,063.00	2,097.80	2,060.18	(12.73)	(0.61%)	(112.44)	(5.17%)
S&P 500	1,200.93	1,198.11	1,204.29	1,191.50	(0.67)	(0.06%)	(13.81)	(1.14%)
Russell 2000	626.23	626.33	626.33	616.71	9.43	0.02	(25.24)	(3.87%)
OEX Volatility Index	12.08	11.96	13.29	11.84	(0.19)	(1.56%)	(1.33)	(10.01%)
Prime Rate	6.00%							
LIBOR	1 month	3 months	6 months	1 Year				
	3.22%	3.40%	3.52%	3.82%				

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

	Apr-05	Mar-05	Feb-05	Jan-05	Dec-04	Nov-04	Oct-04	YTD 2005
Stock Mutual Funds	\$8,755	\$14,986	\$22,431	\$8,718	\$10,023	\$21,345	\$7,169	\$56,143
Hybrid Mutual Funds	\$2,621	\$3,862	\$4,337	\$5,348	\$1,947	\$4,137	\$3,451	\$15,927
Taxable Bond Funds	\$1,780	(\$505)	\$1,576	\$3,957	\$2,047	\$2,003	\$3,470	\$6,432
Municipal Bond Funds	(\$596)	(\$295)	\$741	\$870	(\$932)	(\$6)	\$0	\$697



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

Index	May-05 Level	Apr-05 Level	Mar-05 Level	Feb-05 Level	Jan-05 Level	May-05 Return	YTD Return
Altman-NYU Defaulted Bank Loans Index	170.2	170.8	173.1	175.9	173.5	(0.39%)	(0.85%)
Altman-NYU Defaulted Public Bonds Index	137.9	138.8	141.0	143.4	141.8	(0.69%)	(3.85%)
Combined Bank Loan-Public Bond Index	163.2	163.2	165.6	168.3	166.3	(0.55%)	(1.83%)
S&P 500 (Dividends Reinvested)	213.0	206.8	210.8	214.6	210.2	3.00%	(1.12%)
Citigroup High Yield Index	196.4	192.4	195.1	197.0	197.7	2.06%	(0.84%)

## Distressed News

Story Description	Size (\$mil)	Date	Source
Adelphia creditors seek to overturn its \$715 million settlement payment	\$715.0	06/08/05	DBR
Mirant gets approval from the bankruptcy court to sell its Arkansas power plant for \$85 million	\$85.0	06/08/05	DBR
Adelphia agrees to sell its joint operation in Puerto Rico for \$520 million	\$520.0	06/07/05	DBR
Footstar asks the bankruptcy court for more time to lobby creditors to support its plan of reorganization	n/a	06/07/05	DBR
Tower Automotive Inc. seeks permission to sell a rust coating device for \$1 million to pay its creditors	\$1.0	06/07/05	DBR
Sears Holdings takes a first quarter \$3 million charge relating to the restructuring of its Kmart Holding Corp. unit	\$3.0	06/06/05	DBR
Loral Space receives approval from the bankruptcy court to extend its exclusive solicitation period through Aug. 1	n/a	06/03/05	DBR

## M&A Announced Transactions

Target	Date	Acquirer	Value (\$mil)	Industry
Niku Corp	06/09/05	Computer Assoc Intl Inc	\$350.3	Prepackaged Software
Neiman-Credit Card Operations	06/08/05	HSBC Retail Services	\$527.0	Credit Institutions
Vivendi Universal Ent LLP	06/07/05	NBC Universal Inc	\$3,239.5	Motion Picture Production and Distribution
Gables Residential Trust	06/07/05	Investor Group	\$2,472.7	Investment & Commodity Firms
Jefferson-Credit Portfolio	06/07/05	Encore Capital Group Inc	\$142.8	Credit Institutions
Solgar Vitamin and Herb Co	06/07/05	NBTY Inc	\$115.0	Drugs
Catellus Development Corp	06/06/05	ProLogis Inc	\$4,845.5	Real Estate; Mortgage Bankers and Brokers
Shopzilla Inc	06/06/05	EW Scripps Co	\$525.0	Miscellaneous Retail Trade

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## M&A Announced Transactions (Continued)

Target	Date	Acquirer	Value (\$mil)	Industry
Equity Office Property Trust	06/06/05	Undisclosed Acquiror	\$314.3	Business Services
GE Asts Mgmt-Doubletree Hotel	06/06/05	Procaccianti Group	\$300.0	Hotels and Casinos
Radio One Inc	06/06/05	Radio One Inc	\$150.0	Radio and Television Broadcasting Stations
Sunrise Mall and Commons	06/06/05	Westfield Group	\$143.0	Real Estate; Mortgage Bankers and Brokers
Plantation Petroleum Holdings	06/06/05	Range Resources Corp	\$116.5	Oil and Gas; Petroleum Refining
Titan Corp	06/03/05	L-3 Communications Hldg Inc	\$2,765.9	Business Services
Acxiom Corp	06/03/05	ValueAct Capital Partners LP	\$2,116.0	Business Services
Storage Technology Corp	06/02/05	Sun Microsystems Inc	\$4,261.7	Computer and Office Equipment
Universal Health Services Inc	06/02/05	Universal Health Services Inc	\$452.0	Health Services
NetScaler Inc	06/02/05	Citrix Systems Inc	\$323.0	Prepackaged Software
Simon Property Group-Office	06/02/05	Undisclosed Acquiror	\$257.0	Real Estate; Mortgage Bankers and Brokers
Federated-Visa Receivables	06/02/05	Citigroup Inc	\$224.0	Credit Institutions
May-Credit Card Portfolio	06/02/05	Citigroup Inc	\$154.0	Credit Institutions
Shopping.com Ltd	06/01/05	eBay Inc	\$667.1	Business Services
Smarte Carte Inc	06/01/05	Black Diamond Capital	\$178.0	Business Services
Saucony Inc	06/01/05	Stride Rite Corp	\$170.4	Rubber and Miscellaneous Plastic Products

## High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
IPSCO Inc	06/09/05	Senior Implied Issuer	Moody's	Ba1	Ba2	Steel-Productors
IPSCO Inc	06/09/05	Senior Unsecured Debt	Moody's	Ba1	Ba2	Steel-Productors
URS Corp	06/08/05	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Engineering/R&D Services
Metallurg Holdings Inc	06/08/05	Senior Implied Issuer	Moody's	Caa1	Caa3	Diversified Operations
URS Corp	06/08/05	Senior Implied Issuer	Moody's	Ba2 *+	Ba2	Engineering/R&D Services
Metallurg Holdings Inc	06/08/05	Senior Unsecured Debt	Moody's	Ca	C	Diversified Operations
Metallurg Inc	06/08/05	Senior Unsecured Debt	Moody's	Caa2	Ca	Steel-Specialty
URS Corp	06/08/05	Senior Unsecured Debt	Moody's	Ba3 *+	Ba3	Engineering/R&D Services
Advance Stores Co Inc	06/07/05	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Retail-Auto Parts
Bonlac Foods Ltd	06/07/05	LT Local Issuer Credit	S&P	B+ *+	B+	Food-Dairy Products
URS Corp	06/07/05	LT Local Issuer Credit	S&P	BB *+	BB	Engineering/R&D Services
Advance Auto Parts	06/07/05	Senior Implied Issuer	Moody's	Ba2 *+	Ba2	Retail-Auto Parts
FMC Corp	06/06/05	Bank Loan Debt	Moody's	Ba1 *+	Ba1	Chemicals-Diversified
Tesoro Corp	06/06/05	Bank Loan Debt	Moody's	Ba2 *+	Ba2	Oil Refining&Marketing
Providian National Bank	06/06/05	Long Term Bank Deposits	Moody's	Ba2 *+	Ba2	Commer Banks-Eastern US
Neff Corp	06/06/05	LT Local Issuer Credit	S&P	B+	B+ *	Rental Auto/Equipment
Resolution Performance Products LLC	06/06/05	LT Local Issuer Credit	S&P	B+	B *+	Coatings/Paint
FMC Corp	06/06/05	Senior Implied Issuer	Moody's	Ba1 *+	Ba1	Chemicals-Diversified
Tesoro Corp	06/06/05	Senior Implied Issuer	Moody's	Ba3 *+	Ba3	Oil Refining&Marketing
FMC Corp	06/06/05	Senior Secured Debt	Moody's	Ba2 *+	Ba2	Chemicals-Diversified
Tesoro Corp	06/06/05	Senior Secured Debt	Moody's	Ba2 *+	Ba2	Oil Refining&Marketing
Tesoro Corp	06/06/05	Senior Subordinate	Moody's	B2 *+	B2	Oil Refining&Marketing
Allegheny Energy Inc	06/03/05	Bank Loan Debt	Moody's	Ba2	B1 *+	Electric-Integrated
Allegheny Energy Supply	06/03/05	Bank Loan Debt	Moody's	Ba2	Ba3 *+	Electric-Generation
Cumulus Media Inc	06/03/05	Bank Loan Debt	Moody's	Ba2	Ba3	Radio
OAO Russian Bank for Development	06/03/05	Long Term Bank Deposits	Moody's	Ba1	Ba3	Commer Banks Non-US
ON Semiconductor Corp	06/03/05	LT Local Issuer Credit	S&P	B+	B	Electronic Compo-Semicon
Ric Industries Co	06/03/05	LT Local Issuer Credit	S&P	BB	BB-	Inactive/Unknown
Semiconductor Components Industries LLC	06/03/05	LT Local Issuer Credit	S&P	B+	B	Electronic Compo-Semicon
Titan Corp	06/03/05	LT Local Issuer Credit	S&P	BB- *+	BB-	Aerospace/Defense
Cumulus Media Inc	06/03/05	Senior Implied Issuer	Moody's	Ba2	Ba3	Radio
Allegheny Energy Inc	06/03/05	Senior Unsecured Debt	Moody's	Ba2	B1 *+	Electric-Integrated
Allegheny Energy Supply	06/03/05	Senior Unsecured Debt	Moody's	Ba3	B2 *+	Electric-Generation
Allegheny Generating Co	06/03/05	Senior Unsecured Debt	Moody's	Ba3	B2 *+	Electric-Generation
Monongahela Power Co	06/03/05	Senior Unsecured Debt	Moody's	Ba1	Ba2 *+	Electric-Integrated
American Reprographics Co	06/02/05	Bank Loan Debt	Moody's	Ba2	B1	Applications Software
Inmarsat Holdings Ltd	06/02/05	LT Local Issuer Credit	S&P	B+ *+	B+	Satellite Telecom
Inmarsat Ventures PLC	06/02/05	LT Local Issuer Credit	S&P	B+ *+	B+	Satellite Telecom
American Reprographics Co	06/02/05	Senior Implied Issuer	Moody's	Ba3	B1	Applications Software
Inmarsat Holdings Ltd	06/02/05	Senior Implied Issuer	Moody's	B1 *+	B1	Satellite Telecom
Gray Television Inc	06/01/05	Bank Loan Debt	Moody's	Ba1	Ba2	Broadcast Serv/Program
Laidlaw International Inc	06/01/05	Bank Loan Debt	Moody's	Ba2	Ba3 *+	Transport-Services
Argentina Bocon	06/01/05	Local Currency LT Debt	S&P	B-	SD	Sovereign
Argentina Government Bond	06/01/05	Local Currency LT Debt	S&P	B-	SD	Sovereign
Argentina Government International Bond	06/01/05	Local Currency LT Debt	S&P	B-	SD	Sovereign
Argentina Treasury Bill	06/01/05	Local Currency LT Debt	S&P	B-	SD	Sovereign

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### High Yield Credit Rating Upgrades for Last 2 Weeks (Continued)

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Argentine Republic	06/01/05	Local Currency LT Debt	S&P	B-	SD	Sovereign
City of Buenos Aires	06/01/05	LT Local Issuer Credit	S&P	B-	CCC+	Municipal-City
Greyhound Lines Inc	06/01/05	LT Local Issuer Credit	S&P	CCC+ *+	CCC+	Transport-Services
Mendoza Province Of	06/01/05	LT Local Issuer Credit	S&P	B-	CCC+	Diversified Finan Serv
Gray Television Inc	06/01/05	Senior Implied Issuer	Moody's	Ba2	Ba3	Broadcast Serv/Program
Laidlaw International Inc	06/01/05	Senior Implied Issuer	Moody's	Ba2	B1 *+	Transport-Services
Gray Television Inc	06/01/05	Senior Subordinate	Moody's	B1	B2	Broadcast Serv/Program
Laidlaw International Inc	06/01/05	Senior Unsecured Debt	Moody's	B1	B2 *+	Transport-Services
Kobe Steel Ltd	05/31/05	LT Local Issuer Credit	S&P	BB	B+	Steel-Producers
Sumitomo Metal Industries Ltd	05/31/05	LT Local Issuer Credit	S&P	BB	B+	Steel-Producers

### High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
NeighborCare Inc	06/09/05	Bank Loan Debt	Moody's	Ba1 *-	Ba1	Pharmacy Services
Pope & Talbot Inc	06/09/05	LT Local Issuer Credit	S&P	BB- *-	BB	Paper&Related Products
NeighborCare Inc	06/09/05	Senior Implied Issuer	Moody's	Ba2 *-	Ba2	Pharmacy Services
NeighborCare Inc	06/09/05	Senior Subordinate	Moody's	Ba3 *-	Ba3	Pharmacy Services
Gables Realty LP	06/08/05	Senior Unsecured Debt	Moody's	Ba1 *-	Baa3	REITS-Apartments
Belize	06/07/05	Local Currency LT Debt	Moody's	B3	B1	Sovereign
Belize Government International Bond	06/07/05	Local Currency LT Debt	Moody's	B3	B1	Sovereign
NBTY Inc	06/07/05	LT Local Issuer Credit	S&P	BB *-	BB	Vitamins&Nutrition Prod
Atrium Cos Inc	06/06/05	Bank Loan Debt	Moody's	B2 *-	B1	Bldg Prod-Doors&Windows
Brand Services Inc	06/06/05	Bank Loan Debt	Moody's	B2	B1	Building-Maint&Service
ACIH Inc	06/06/05	Senior Implied Issuer	Moody's	B2 *-	B1	Bldg Prod-Doors&Windows
Brand Services Inc	06/06/05	Senior Implied Issuer	Moody's	B2	B1	Building-Maint&Service
Brand Services Inc	06/06/05	Senior Subordinate	Moody's	Caa1	B3	Building-Maint&Service
ACIH Inc	06/06/05	Senior Unsecured Debt	Moody's	Caa1 *-	B3	Bldg Prod-Doors&Windows
Kerr Group Inc	06/05/05	LT Local Issuer Credit	S&P	B+	BB- *-	Containers-Paper/Plastic
Constar International Inc	06/03/05	LT Local Issuer Credit	S&P	B	B+	Containers-Paper/Plastic
MSX International	06/03/05	LT Local Issuer Credit	S&P	B-	B	Consulting Services
L-3 Communications Corp	06/03/05	Senior Implied Issuer	Moody's	Ba2 *-	Ba2	Electronics-Military
L-3 Communications Corp	06/03/05	Senior Subordinate	Moody's	Ba3 *-	Ba3	Electronics-Military
Coletto Creek WLE LP	06/02/05	Bank Loan Debt	Moody's	Ba3	Ba2 *-	Coal
Travelcenters Of America Inc	06/02/05	Bank Loan Debt	Moody's	B1	Ba3	Auto Repair Centers
Atrium Cos Inc	06/02/05	LT Local Issuer Credit	S&P	B *-	B	Bldg Prod-Doors&Windows
Ferro Corp	06/02/05	LT Local Issuer Credit	S&P	BB	BB+ *-	Chemicals-Specialty
Travelcenters Of America Inc	06/02/05	Senior Subordinate	Moody's	Caa1	B3	Auto Repair Centers
Insight Capital	06/01/05	LT Local Issuer Credit	S&P	BB-	BB	Finance-Other Services
Insight Capital Inc	06/01/05	LT Local Issuer Credit	S&P	BB-	BB	n/a
Insight Communications Co Inc	06/01/05	LT Local Issuer Credit	S&P	CCC+	B-	Cable TV
Insight Midwest Holdings LLC	06/01/05	LT Local Issuer Credit	S&P	BB-	BB	Cable TV
Insight Midwest LP/Insight Capital Inc	06/01/05	LT Local Issuer Credit	S&P	BB-	BB	Telecom Services
National Foods Ltd	06/01/05	LT Local Issuer Credit	S&P	BB	BBB *-	Food-Dairy Products
Performance Logistics Group Inc	06/01/05	LT Local Issuer Credit	S&P	B-	B	Transport-Services
Reno de Medici SpA	06/01/05	LT Local Issuer Credit	S&P	B	B+	Paper&Related Products
School Specialty Inc	06/01/05	LT Local Issuer Credit	S&P	BB *-	BB	Retail-Office Supplies
Doral Financial Corp	05/31/05	LT Local Issuer Credit	S&P	BB *-	BB+ *-	Finance-Mtge Loan/Banker
Quebecor World USA Inc	05/31/05	Senior Subordinate	Moody's	Ba1 *-	Ba1	Printing-Commercial

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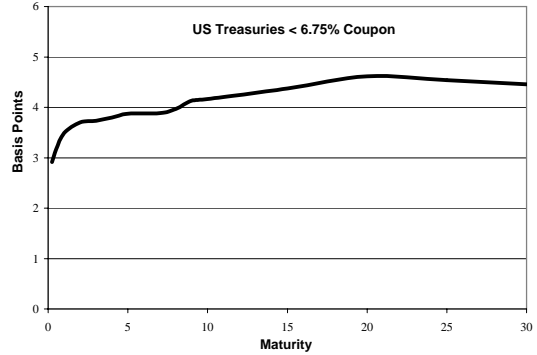
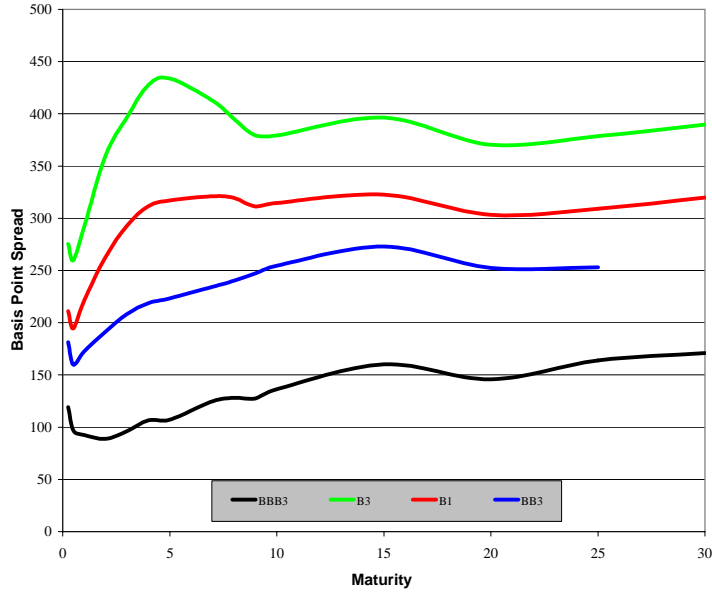


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## Spread Analysis

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	(41)	95	27	(63)
B1	(9)	110	61	17
BB3	(35)	76	15	(24)
BBB3	4	24	14	(1)

## Resources. Experience. Results.

### Situation Overview

- Chanin Capital Partners served as Financial Advisor to the Ad-hoc Committee of Noteholders of Trump Casino Holdings ("TCH"), in connection with the Chapter 11 reorganization of Trump Hotels and Casino Resorts ("THCR" or the "Company").
- The Company, through its subsidiaries TCH and Trump Atlantic City Associates ("TAC"), owns and operates four casino hotel and resort properties, primarily in Atlantic City, New Jersey.
- On November 21, 2004, the Company filed for bankruptcy, pressured by competition and burdened with considerable debt that rendered it unable to make necessary capital expenditures.

### Key Highlights

- Negotiated with Company, TAC holders and their advisors for recoveries of 107% for TCH 1st Noteholders and 95.5% for TCH 2nd Noteholders.
  - At the start of negotiations, trading levels were in the 80s for TCH 1st Notes.
- Pre-packaged bankruptcy was supported by approximately 68% of the TCH 1st Noteholders and 75% of the TCH 2nd Noteholders.
- Reduced debt burden by \$400 million and interest expense by \$98 million.
- Gained essential liquidity and access to \$500 million credit facility to make "catch-up" improvements and competitive growth investments.

May 2005

**TRUMP**  
Entertainment Resorts, Inc.

Financial Advisor to the Ad-hoc Committee of Noteholders of Trump Casino Holdings in connection with the Company's Chapter 11 restructuring of approximately \$2.2 billion of aggregate liabilities

### Transaction Summary

- Noteholders exchanged \$1.8 billion of debt securities for \$1.25 billion of new notes, and stock and warrants for 65% of the equity.
  - TCH 1st Noteholders received \$425 million of new notes as well as cash and equity securities for a 107% recovery.
  - Non-affiliate TCH 2nd Noteholders received \$47.7 million of new notes as well as cash and equity securities for a 95.5% recovery.
  - TAC Noteholders received \$777.3 million of new notes, proceeds from the rights offering and a majority of equity for a 93.2% recovery.
- Donald Trump contributed \$55 million and other assets to receive stock and warrants for 29% of the equity.
- Equity holders received cash, warrants for 5% of the equity and proceeds from the sale of certain real estate assets.
- The Company, renamed Trump Entertainment Resorts, emerged from bankruptcy on May 20, 2005.