

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 12

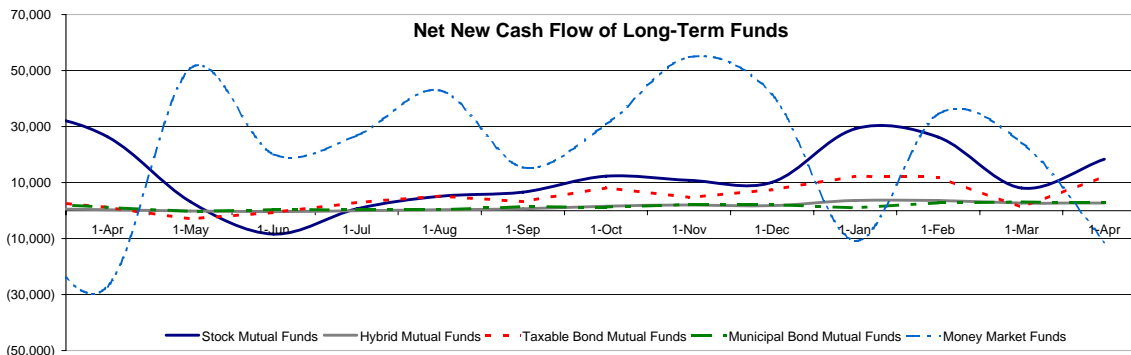
Week ending June 15, 2007

Key Market Indicators

	June 15, 2007		2 Week		2 Week		2 Week		2 Week		YTD		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %	Change	Change %	Change	Change %
DJIA	13,553.72	13,639.48	13,676.32	13,266.73	(28.63)	(0.21%)	1,176.33	10.87%						
Nasdaq	2,599.41	2,626.71	2,626.71	2,541.38	12.79	0.49%	211.42	8.75%						
S&P 500	1,522.97	1,532.91	1,539.18	1,490.72	(3.43)	(0.22%)	114.61	8.08%						
Russell 2000	837.12	848.19	855.09	821.72	(5.22)	(0.61%)	60.53	7.68%						
OEX Volatility Index	13.64	13.94	17.06	13.29	1.16	9.08%	2.38	20.59%						
Prime Rate	8.25%													
LIBOR	1 month		3 months		6 months		1 Year							
	5.32%		5.36%		5.41%		5.51%							

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

	Apr-07	Mar-07	Feb-07	Jan-07	Dec-06	Nov-06	Oct-06	YTD
Stock Mutual Funds	\$18,311	\$8,105	\$26,285	\$29,205	\$10,650	\$10,779	\$12,728	\$82,630
Hybrid Mutual Funds	\$2,734	\$2,690	\$3,563	\$3,587	\$1,720	\$1,998	\$1,595	\$12,530
Taxable Bond Funds	\$12,234	\$1,195	\$11,935	\$12,274	\$7,665	\$4,760	\$8,173	\$48,404
Municipal Bond Funds	\$1,328	\$2,849	\$3,128	\$2,820	\$1,133	\$2,090	\$2,238	\$10,125
Money Market Funds	(\$11,282)	\$24,384	\$34,417	(\$10,838)	\$41,531	\$54,826	\$30,833	\$36,698



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

Index	Apr-07 Level	Mar-07 Level	Feb-07 Level	Jan-07 Level	Dec-06 Level	Nov-06 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	193.3	192.5	192.1	192.4	192.0	190.5	0.69%
Altman-NYU Defaulted Public Bonds Index	201.4	200.0	198.2	197.1	191.0	170.9	5.43%
Combined Bank Loan-Public Bond Index	217.3	216.0	214.1	213.4	208.7	192.5	4.13%
S&P 500 (Dividends Reinvested)	275.1	263.4	260.5	265.7	261.7	253.3	5.10%
Citigroup High Yield Index	234.9	231.7	231.4	228.2	226.1	219.7	3.88%

Distressed News

Story Description	Size (\$mil)	Date	Source
Highland And Pardus Part Ways In Fight For Control Of Delphi	\$4,700.0	6/15/2007	DBR
Judge Approves Calpine Agreement To Erase \$1.1 Billion In Claims	\$1,100.0	6/15/2007	DBR
Saint Vincent Taps Health Care Industry Pro Amoroso As CEO	na	6/15/2007	DBR
Record Number Of Mortgage Loans Entered Foreclosure In 1Q	na	6/15/2007	DBR
Northwest Expects Fleet, Route Expansion To Drive Growth	na	6/15/2007	DBR
Montana Resources Asks Judge To Toss Lawsuit By Rival Asarco	\$5.0	6/15/2007	DBR

M&A Announced Transactions

Target	Date	Acquirer	Value (\$mm)	Industry
Accredited Home Lenders Hldg	6/4/2007	Lone Star US Acquisitions LLC	381	Real Estate; Mortgage Bankers and Brokers
Avaya Inc	6/4/2007	Investor Group	7,873	Business Services
Chem Rx	6/4/2007	Paramount Acquisition Corp	242	Miscellaneous Retail Trade
Cholestech Corp	6/4/2007	Inverness Med Innovations Inc	326	Drugs
Cmnty Bk & Tr Co,Wolfeboro,NH	6/4/2007	Chittenden Corp,Burlington,VT	121	Commercial Banks, Bank Holding Companies
Dominion Resources Inc-Natural	6/4/2007	Loews Corp	4,025	Electric, Gas, and Water Distribution
Undisclosed Shopping Ctr-(10)	6/4/2007	Kimco Rlty Corp	289	Real Estate; Mortgage Bankers and Brokers
Ilypsa Inc	6/4/2007	Amgen Inc	420	Drugs
1-800 Contacts Inc	6/4/2007	Ferway Partners Inc	340	Measuring, Medical, Photo Equipment; Clocks
Palm Inc	6/4/2007	Elevation Partners LP	325	Computer and Office Equipment
Physiotherapy Associates	6/4/2007	Water St Healthcare Partners	150	Health Services
Slough Estates USA Inc	6/4/2007	Health Care Ppty Investors Inc	2,900	Real Estate; Mortgage Bankers and Brokers

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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.

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 12

Week ending June 15, 2007

M&A Announced Transactions (Continued)

Target	Date	Acquirer	Value (\$mm)	Industry
Soletron Corp	6/4/2007	Flextronics International Ltd	3,675	Electronic and Electr Cable TV
Dominion Resources Inc-Rocky	6/4/2007	XTO Energy Inc	2,500	Electric, Gas, and Water Distribution
Anadarko Petro Corp-Cert asts	6/3/2007	Atlas Pipeline Partners LP	1,850	Oil and Gas; Petroleum Refining
Digene Corp	6/3/2007	Qiagen NV	1,495	Drugs
Cil Carbon LLC	6/1/2007	Rain Calcining Ltd	595	Chemicals and AlliecAuto-Med&Heavy Duty Trks
Everlast Worldwide Inc	6/1/2007	Hiday Group	120	Miscellaneous Manu Transport-Services
FX Luxury Realty LLC	6/1/2007	CKX Inc	100	Real Estate; MortgaçCommer Banks Non-US
PQ Corp	6/1/2007	Carlyle Group LLC	1,500	Chemicals and AlliecCommer Banks Non-US
CKX Inc	5/31/2007	Investor Group	1,335	Motion Picture Production and Distribution
AG Edwards Inc	5/31/2007	Wachovia Corp,Charlotte,NC	6,944	Investment & Commodity Firms,Dealers,Exchanges
GreenHunter Energy Inc	5/31/2007	Orion Ethanol Inc	150	Electric, Gas, and Water Distribution
Hilton Washington Hotel	5/31/2007	Investor Group	290	Hotels and Casinos
Millennium Ethanol LLC	5/31/2007	US BioEnergy Corp	135	Chemicals and Allied Products
Multimax Inc	5/31/2007	Harris Corp	400	Business Services
Stoneville Pedigreed Seed Co	5/31/2007	Bayer CropScience AG	310	Agriculture, Forestry, and Fishing
BGC Partners LP	5/30/2007	eSpeed Inc	1,230	Investment & Commodity Firms,Dealers,Exchanges
Ceridian Corp	5/30/2007	Investor Group	5,312	Business Services
Natl Hot Rod Assoc-Professiona	5/30/2007	HD Partners Acquisition Corp	121	Amusement and Recreation Services
Petro Stopping Centers-Centers	5/30/2007	Hospitality Properties Trust	630	Miscellaneous Retail Trade
Archstone-Smith Trust	5/29/2007	Investor Group	15,249	Investment & Commodity Firms,Dealers,Exchanges
Ares Management LLC	5/29/2007	Undisclosed Acquiror	375	Investment & Commodity Firms,Dealers,Exchanges
Bioenvision Inc	5/29/2007	Genzyme Corp	315	Drugs
Biogen Idec Inc	5/29/2007	Biogen Idec Inc	3,000	Drugs
Bradley Pharmaceuticals Inc	5/29/2007	Investor Group	335	Drugs
CDW Corp	5/29/2007	Madison Dearborn Partners LLC	7,311	Retail Trade-Home Furnishings
CT Communications Inc	5/29/2007	Windstream Corp	648	Telecommunications
Dynegy Inc-CoGen Lyondell	5/29/2007	EnergyCo	470	Electric, Gas, and Water Distribution
Forest Oil Corp-Alaskan Assets	5/29/2007	Pacific Energy Resources Ltd	464	Oil and Gas; Petroleum Refining
Swift & Co	5/29/2007	J&F Participacoes SA	1,425	Food and Kindred Products
Wells RE Invest Trust Inc	5/29/2007	Lex-Win Acquisition LLC	225	Investment & Commodity Firms,Dealers,Exchanges
Washington Group Intl Inc	5/28/2007	URS Corp	2,580	Construction Firms
Energy Brands Inc	5/25/2007	Coca-Cola Co	4,100	Food and Kindred Products
LS Power Grp-Power Plant,MI	5/25/2007	Consumers Energy Co	517	Electric, Gas, and Water Distribution
Innovativ Systems Design Inc	5/25/2007	Agilysys Inc	190	Business Services
ChemTreat Inc	5/24/2007	Danaher Corp	435	Electric, Gas, and Water Distribution
Fiserv Inc-Investment Support	5/24/2007	TD Ameritrade Inc	325	Business Services
Nashville Predators	5/24/2007	Jim Balsillie	220	Amusement and Recreation Services
Schaller Anderson Inc	5/24/2007	Aetna Inc	535	Business Services
Toppos Co Inc	5/24/2007	Upper Deck Co	428	Food and Kindred Products
Undisclosed Medical Office	5/24/2007	Health Care REIT Inc	288	Real Estate; Mortgage Bankers and Brokers
DCP East Texas Holdings LLC	5/23/2007	DCP Midstream Partners LP	270	Oil and Gas; Petroleum Refining

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Blue Ridge Paper Products Inc	6/15/2007	LT Local Issuer Credit	S&P	B- *	B-	Paper&Related Products
Gerresheimer Holdings GmbH	6/15/2007	LT Local Issuer Credit	S&P	BB	B+ *	Containers-Metal/Glass
Lone Star Technologies Inc	6/15/2007	LT Local Issuer Credit	S&P	BB+	BB- *	Oil Field Mach&Equip
NTELOS Holdings Corp	6/15/2007	LT Local Issuer Credit	S&P	BB-	B	Telecom Services
NTELOS Inc	6/15/2007	LT Local Issuer Credit	S&P	BB-	B	Telecom Services
PinnOak Resources LLC	6/15/2007	LT Local Issuer Credit	S&P	CCC+ *	CCC+	Metal-Diversified
Rock-Tenn Co	6/15/2007	LT Local Issuer Credit	S&P	BB *	BB	Paper&Related Products
Thermal North America Inc	6/15/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Bldg Prod-Air&Heating
Transportadora de Gas del Sur SA	6/15/2007	LT Local Issuer Credit	S&P	B+	B	Pipelines
Fisher Communications Inc	6/14/2007	LT Local Issuer Credit	S&P	B- *	B-	Broadcast Serv/Program
Phillips-Van Heusen	6/14/2007	LT Local Issuer Credit	S&P	BB+ *	BB+	Apparel Manufacturers
Amazon.Com Inc	6/13/2007	LT Local Issuer Credit	S&P	BB	BB	E-Commerce/Products
Getty Images Inc	6/13/2007	LT Local Issuer Credit	S&P	B+ *	B+ *	Advertising Services
Sirius Satellite Radio Inc	6/13/2007	LT Local Issuer Credit	S&P	CCC+ *	CCC+ *	Radio
Atlantic Express Transportation Corp	6/12/2007	LT Local Issuer Credit	S&P	B-	CCC+ *	Transport-Services
Invensys PLC	6/12/2007	LT Local Issuer Credit	S&P	BB	B+ *	Diversified Manufact Op
Maidenform Brands Inc	6/12/2007	LT Local Issuer Credit	S&P	BB-	B+	Apparel Manufacturers
Quality Home Brands Holdings LLC	6/12/2007	LT Local Issuer Credit	S&P	B	NR	Bldg Prod-Light Fixtures
Smart Modular Technologies WWH Inc	6/12/2007	LT Local Issuer Credit	S&P	BB-	B+	Computers-Memory Devices
Warnaco Group Inc/The	6/12/2007	LT Local Issuer Credit	S&P	BB	BB- *	Intimate Apparel
Banco BMG SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Daycoval SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Fibra SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Industrial e Comercial SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Indusval SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Panamericano SA/Brazil	6/11/2007	LT Local Issuer Credit	S&P	B *	B	Commer Banks Non-US
Banco Pine SA	6/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Commer Banks Non-US
Banco Schahin SA	6/11/2007	LT Local Issuer Credit	S&P	B *	B	Commer Banks Non-US
Hynix Semiconductor Inc	6/11/2007	LT Local Issuer Credit	S&P	BB-	B+	Electronic Compo-Semicon
Parana Banco SA	6/11/2007	LT Local Issuer Credit	S&P	B *	B	Commer Banks Non-US
Gregg Appliances Inc	6/8/2007	LT Local Issuer Credit	S&P	B+	B	Consumer Product:Insurance Brokers
Hercules Offshore Inc	6/8/2007	LT Local Issuer Credit	S&P	BB-	B+ *	Oil-Field Services Oil Refining&Marketing
Hilite International Inc	6/8/2007	LT Local Issuer Credit	S&P	B	NR	Auto/Trk Prts&Equi Diagnostic Kits
Koosharem Corp	6/8/2007	LT Local Issuer Credit	S&P	B	B-	Diversified OperatiCommer Services

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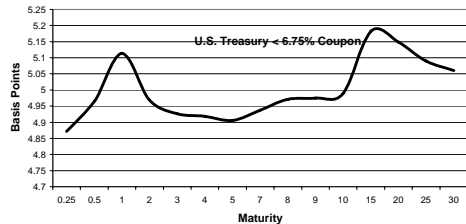
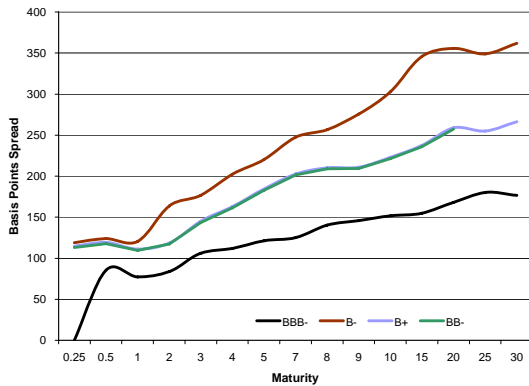
Week ending June 15, 2007

Company Name	Date	Rating Type	Agency	Current	Last	Industry
SEMCO Energy Inc	6/8/2007	LT Local Issuer Credit	S&P	BB- *	BB- *	Gas-Distribution
VWR International Inc	6/7/2007	LT Local Issuer Credit	S&P	B	B *	Distribution/Wholesale
Central Telecommunication Co	6/6/2007	LT Local Issuer Credit	S&P	B *	B	Telephone-Integrated
Grupo Posadas SA de CV	6/6/2007	LT Local Issuer Credit	S&P	BB	BB-	Hotels&Motels
Southern Telecommunication Co	6/6/2007	LT Local Issuer Credit	S&P	B- *	B-	Telecom Services
Bare Escentuals Inc	6/5/2007	LT Local Issuer Credit	S&P	B+	B	Cosmetics&Toiletries
Bauer AG	6/5/2007	LT Local Issuer Credit	S&P	BB+	BB	Bldg&Construct Prod-Misc
ThermaClima Inc	6/5/2007	LT Local Issuer Credit	S&P	B- *	B-	Chemicals-Diversified
Secunda International Ltd	6/4/2007	LT Local Issuer Credit	S&P	B- *	B *	Oil-Field Services
Western Refining Inc	6/4/2007	LT Local Issuer Credit	S&P	BB-	BB- *	Oil Refining&Marketing
Millicom International Cellular SA	6/1/2007	LT Local Issuer Credit	S&P	BB	B+ *	Cellular Telecom
Recycled Paper Greetings Inc	6/1/2007	LT Local Issuer Credit	S&P	CCC	CCC *	Retail-Misc/Diversified
Softbank Corp	6/1/2007	LT Local Issuer Credit	S&P	BB	BB-	Telephone-Integrated
CNH Global NV	5/31/2007	LT Local Issuer Credit	S&P	BB+	BB	Machinery-Farm
Fiat SpA	5/31/2007	LT Local Issuer Credit	S&P	BB+	BB	Auto-Cars/Light Trucks
Goodyear Tire & Rubber Co/The	5/31/2007	LT Local Issuer Credit	S&P	BB-	B+ *	Rubber-Tires
Northwest Airlines Corp/Old	5/31/2007	LT Local Issuer Credit	S&P	B+	D	Airlines
Northwest Airlines Inc	5/31/2007	LT Local Issuer Credit	S&P	B+	D	Airlines
Sunny Delight	5/31/2007	LT Local Issuer Credit	S&P	CCC+	CCC	Beverages-Non-alcoholic

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Abitibi-Consolidated Inc	6/15/2007	LT Local Issuer Credit	S&P	B	B+	Paper&Related Products
Bowater Inc	6/15/2007	LT Local Issuer Credit	S&P	B	B+	Paper&Related Products
Coinmach Corp	6/15/2007	LT Local Issuer Credit	S&P	B *	B	Commercial Services
Coinmach Service Corp	6/15/2007	LT Local Issuer Credit	S&P	B *	B	Commercial Services
Gerresheimer AG	6/15/2007	LT Local Issuer Credit	S&P	BB	BB *	Containers-Metal/Glass
Metrofinanciera SA	6/15/2007	LT Local Issuer Credit	S&P	B+	BB-	Finance-Consumer Loans
Morris Publishing Group LLC	6/15/2007	LT Local Issuer Credit	S&P	BB-	BB *	Publishing-Books
Penn National Gaming Inc	6/15/2007	LT Local Issuer Credit	S&P	BB- *	BB	Racetracks
FHC Health Systems Inc	6/14/2007	LT Local Issuer Credit	S&P	B *	B	REITS-Health Care
American Rock Salt Co LLC	6/13/2007	LT Local Issuer Credit	S&P	B-	B *	Agricultural Operations
GCI Inc	6/13/2007	LT Local Issuer Credit	S&P	BB *	BB	Telecom Services
Dollar General Corp	6/12/2007	LT Local Issuer Credit	S&P	B	BB+ *	Retail-Discount
Codere SA	6/11/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Gambling (Non-Hotel)
OSI Restaurant Partners Inc	6/8/2007	LT Local Issuer Credit	S&P	B	B+	Retail-Restaurants
Central Garden and Pet Co	6/7/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Consumer Products-Misc
ServiceMaster Co/The	6/7/2007	LT Local Issuer Credit	S&P	B	BB+ *	Commercial Services
Cil Carbon LLC	6/6/2007	LT Local Issuer Credit	S&P	B+ *	B+	Metal-Aluminum
Concentra Inc	6/6/2007	LT Local Issuer Credit	S&P	B	B+ *	Medical-Output/Home Med
Concentra Operating Corp	6/6/2007	LT Local Issuer Credit	S&P	B	B+ *	Health Care Cost Contain
Haight's Cross Communications Inc	6/6/2007	LT Local Issuer Credit	S&P	CCC+ *	CCC+	Publishing-Periodicals
Montecito Broadcast Group	6/6/2007	LT Local Issuer Credit	S&P	B *	B	Radio
True Corp PCL	6/6/2007	LT Local Issuer Credit	S&P	B+	BB-	Telephone-Integrated
True Move Co Ltd	6/6/2007	LT Local Issuer Credit	S&P	B+	BB-	Cellular Telecom
Avaya Inc	6/5/2007	LT Local Issuer Credit	S&P	B+ *	BB	Telecommunication Equip
Best Brands Corp	6/5/2007	LT Local Issuer Credit	S&P	B- *	B *	Food-Retail
Hopson Development Holdings Ltd	6/5/2007	LT Local Issuer Credit	S&P	BB	BB+ *	Real Estate Oper/Develop
KRATON Polymers LLC	6/5/2007	LT Local Issuer Credit	S&P	B	B+	Chemicals-Specialty
Noranda Aluminium Holding Corp	6/5/2007	LT Local Issuer Credit	S&P	B	B+	Mining Services
Fletronics International Ltd	6/4/2007	LT Local Issuer Credit	S&P	BB+ *	BB+	Electronic Compo-Misc
Commonwealth Edison Co	6/1/2007	LT Local Issuer Credit	S&P	BB *	BBB- *	Electric-Integrated
Netia SA	6/1/2007	LT Local Issuer Credit	S&P	B	B+	Telecom Services
PQ Corp	6/1/2007	LT Local Issuer Credit	S&P	B+ *	B+	Chemicals-Specialty
Petrol AD	6/1/2007	LT Local Issuer Credit	S&P	CCC+	B-	Oil Refining&Marketing
Head NV	5/31/2007	LT Local Issuer Credit	S&P	B-	B *	Athletic Equipment
Independencia Alimentos Ltda	5/31/2007	LT Local Issuer Credit	S&P	B *	B	Special Purpose Entity

Bond Spread To US Treasury Data



	Change in spread to US treasuries with coupons < 6.75% (7 Year)			
	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B-	240	240	240	239
B+	196	196	196	195
BB-	195	195	195	194
BBB-	119	119	119	119

**Resources.
Experience.
Results.**

Chanin Capital Partners, a Duff & Phelps company, is a distinguished leader in providing financial advisory services to companies, creditors and stakeholders in distressed situations. Since 1984, the Restructuring Group has advised hundreds of clients across all industries, consummating transactions valued over \$179 billion. Duff & Phelps' global platform comprises more than 700 professionals in 20 cities in the United States, Europe and Asia, serving client needs in the areas of valuation, investment banking, transaction advice and dispute consulting. Investment Banking services are provided by Duff & Phelps Securities, LLC.



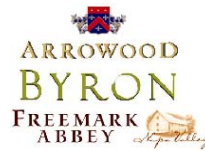
Chapter 11 Reorganization
\$525 million

Financial Advisor to the Ad-hoc Committee of 10 1/8% Senior Notes of Satelites Mexicanos SA de CV



Chapter 11 Reorganization
\$13.6 billion

Financial Advisor to an Ad-hoc committee of Equity Security Holders



Section 363 Asset Sale
\$101 million

Financial Advisor to Legacy Estate Group, LLC, in connection with the sale of substantially all its assets to Kendall-Jackson Wine Estates, Ltd.

CRESCENT JEWELERS

Chapter 11 Reorganization
\$114 million

Financial Advisor to Crescent Jewelers in connection with its Chapter 11 Reorganization and the New Money Plan funded by Harbinger Capital Partners



Chapter 11 Reorganization
\$1.4 billion

Financial Advisor to the Ad-hoc Committee of Second Lien Noteholders



Chapter 11 Reorganization
\$165 million

Financial Advisor to the Official Committee of Unsecured Creditors



Consent Solicitation
\$800 million

Financial Advisor to Mercury Interactive Corp. in connection with a consent solicitation with holders of approximately \$800 million in debt securities



Chapter 11 Reorganization
\$390 million

Financial Advisor to the Official Committee of Unsecured Creditors



Out-of-Court Restructuring
\$235 million

Financial Advisor to the Ad-hoc Committee of Senior Noteholders of Wolverine Tube, Inc.



Out-of-Court Restructuring
\$474 million

Financial Advisor to Home Interiors & Gifts, Inc., in connection with an out-of-court restructuring of approximately \$474 million of aggregate indebtedness



Chapter 11 Reorganization
\$350 million

Financial Advisor to the Official Committee of Equity Security Holders of Footstar Inc. in connection with its restructuring of \$350 million in aggregate liabilities and reinstatement of its equity security interests



Chapter 11 Reorganization
\$1.2 billion

Financial Advisor to Mirant Mid-Atlantic Pass Through Certificate Holders