

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 14

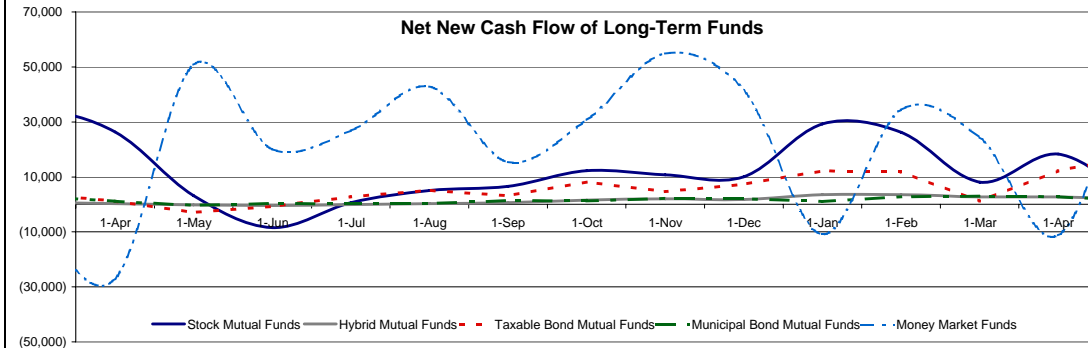
Week ending July 20, 2007

Key Market Indicators

	July 20, 2007		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	14,000.41	13,851.08	14,000.41	13,501.70	239.40	1.76%	1,387.93	12.60%
Nasdaq	2,720.04	2,687.60	2,720.04	2,639.16	21.09	0.79%	272.31	11.27%
S&P 500	1,553.08	1,534.10	1,553.08	1,510.12	3.66	0.24%	115.80	8.16%
Russell 2000	851.85	836.44	855.77	836.44	(15.87)	(1.86%)	48.78	6.19%
OEX Volatility Index	15.23	16.95	17.57	15.15	2.23	15.15%	5.39	46.63%
Prime Rate	8.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	5.32%	5.36%	5.38%	5.40%				

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

	May-07	Apr-07	Mar-07	Feb-07	Jan-07	Dec-06	Nov-06	YTD
Stock Mutual Funds	\$1,547	\$18,311	\$18,311	\$26,285	\$29,205	\$10,650	\$10,779	\$84,138
Hybrid Mutual Funds	\$2,017	\$2,734	\$2,734	\$3,563	\$3,587	\$1,720	\$1,998	\$14,359
Taxable Bond Funds	\$17,705	\$12,234	\$12,234	\$11,935	\$12,274	\$7,665	\$4,760	\$66,069
Municipal Bond Funds	\$3,578	\$1,328	\$1,328	\$3,128	\$2,820	\$1,133	\$2,090	\$13,702
Money Market Funds	\$57,569	(\$11,282)	(\$11,282)	\$34,417	(\$10,838)	\$41,531	\$54,826	\$94,294



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
Dana Enters Into USD 225 Million Receivable Securitization For European Subsidiaries	\$225.0	7/20/2007	DBR
Delphi IUE-CWA Files Contract Termination Notice 20, July 2007	na	7/20/2007	DBR
Blockbuster Declares Quarterly Dividend of USD 18.75 Per Share	na	7/20/2007	DBR
Delphi Board Approves USD 175 Million Payment For Closure Of Spanish Plant	\$175.0	7/19/2007	DBR
Duane Reade Struggling with Mediocre Performance As Competition, Debt Load Increase	na	7/19/2007	DBR
Continental Reports Q2 Profits of USD 228 Million	\$228.0	7/19/2007	DBR

M&A Announced Transactions

Target	Date	Acquirer	Value (\$mm)	Industry
Oak Hill Finl Inc,Jackson,OH	7/20/2007	WesBanco Inc,Wheeling,WV	203	Other Financials
MedPointe Inc	7/20/2007	Meda AB	793	Pharmaceuticals
Williams Cos Inc	7/20/2007	Williams Cos Inc	1,000	Oil & Gas
Banco de Chile-US Business	7/19/2007	Citigroup Inc	130	Banks
Peoples United Financial Inc	7/19/2007	Peoples United Financial Inc	261	Banks
Williams Scotsman Int Inc	7/19/2007	Algeco SA	2,200	Non Residential
Legg Mason Inc	7/19/2007	Legg Mason Inc	501	Brokerage
Sterling Financial Corp	7/19/2007	PNC Finl Svcs Grp Inc,PA	562	Other Financials
Partners Trust Financial Group	7/19/2007	M&T Bank Corp,Buffalo,New York	545	Banks
Plantation Petro Hldgs III-	7/18/2007	EV Energy Partners LP	160	Oil & Gas
Citrus & Chemical	7/18/2007	Colonial BancGroup Inc,AL	219	Other Financials
Delphi Corp	7/18/2007	Investor Group	2,550	Automobiles & Components

SELECTED SENIOR PROFESSIONALS

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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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Week ending July 20, 2007

M&A Announced Transactions (Continued)

Target	Date	Acquirer	Value (\$mm)	Industry		
Wii Research Laboratories Inc	7/18/2007	Undisclosed Acquirer	500	Professional Services		
Metromedia Intl Group Inc	7/17/2007	CaucusCom Merger Corp	559	Broadcasting		
Yipes Communications Inc	7/17/2007	FLAG Telecom Group Ltd	300	Internet Software & Services		
Undisclosed Office Building	7/17/2007	Kennedy Wilson Inc	300	Non Residential		
Lyondell Chemical Co	7/17/2007	Basell NV	20,234	Chemicals		
Pogo Producing Co	7/17/2007	Plains Exploration,Prod Co	5,838	Oil & Gas		
Keystone Automotive Inds Inc	7/17/2007	LKQ Corp	775	Automobiles & Components		
Alfa Corp	7/17/2007	Investor Group	641	Insurance		
Owens Corning-Siding Bus	7/17/2007	Cie de Saint-Gobain SA	371	Chemicals		
DataMirror Corp	7/16/2007	IBM Corp	143	Software		
Yipes Communications Inc	7/16/2007	Reliance Communications Ltd	300	Internet Software & Services		
Harcourt Education	7/16/2007	Houghton Mifflin Co	4,000	Publishing		
Rohm & Haas Co	7/16/2007	Rohm & Haas Co	2,000	Chemicals		
Applebees International Inc	7/16/2007	IHOP Corp	2,071	Food & Beverage Retailing		
DJO Inc	7/16/2007	ReAble Therapeutics LLC	1,568	Healthcare Equipment & Supplies		
Enterprise GP Holdings LP	7/16/2007	Investor Group	750	Oil & Gas		
Contract Freighters Inc	7/16/2007	Con-way Inc	750	Transportation & Infrastructure		
MezMedia Inc	7/16/2007	ValueClick Inc	452	Internet Software & Services		
Hyland Software Inc	7/16/2007	Thomas Cressley Bravo	255	Software		
Aberdeen Asia Pacific Income	7/16/2007	Aberdeen Asia Pacific Income	394	Other Financials		
ASC Utah	7/16/2007	Talisker Canyons Fin Co LLC	100	Hotels and Lodging		
Lexico Publishing Group LLC	7/16/2007	Answers Corp	100	Internet Software & Services		
AMVEST Osage Inc	7/13/2007	Constellation Energy Partners	240	Oil & Gas		
Colonial Properties-Non-Core	7/13/2007	Undisclosed Acquirer	266	Non Residential		
Legacy Hotels REIT	7/12/2007	LGY Acquisition LP	2,272	REITs		
S&C Banco Inc	7/12/2007	Anchor BanCorp Wisconsin Inc	106	Other Financials		
Amgen Inc	7/12/2007	Amgen Inc	5,000	Biotechnology		
Biomet Inc	7/12/2007	LVB Acquisition LLC	2,046	Healthcare Equipment & Supplies		
DP Industrial LLC-Industrial	7/12/2007	ProLogis North American	1,850	Non Residential		
Playtex Products Inc	7/12/2007	Energizer Holdings Inc	1,793	Household & Personal Products		
Paychex Inc	7/12/2007	Paychex Inc	1,000	Professional Services		
AmQuip Corp	7/12/2007	Investor Group	320	Professional Services		
Alcan Inc	7/12/2007	Rio Tinto PLC	43,923	Metals & Mining		
HB Fuller Co	7/12/2007	HB Fuller Co	100	Chemicals		
New Brunswick Scientific Co	7/11/2007	Eppendorf AG	102	Healthcare Equipment & Supplies		
UNICCO Svc Co	7/11/2007	United Group Ltd	411	Professional Services		
Totalbank Corp,Miami,Florida	7/11/2007	Banco Popular Espanol SA	300	Other Financials		
Redman Energy Holdings LP	7/11/2007	Eagle Rock Energy Partners LP	180	Oil & Gas		
Escambia Asset Co LLC	7/11/2007	Eagle Rock Energy Partners LP	220	Oil & Gas		
Merchants,Mnfr Bancorp Inc,WI	7/10/2007	Harris NA	137	Other Financials		
Home Depot Inc	7/10/2007	Home Depot Inc	11,000	Home Improvement Retailing		
Chaparral Steel Co	7/10/2007	Gerdau Ameristeel Corp	3,995	Metals & Mining		
Altivity Packaging LLC	7/10/2007	Graphic Packaging Corp	1,750	Containers & Packaging		
Sears Holdings Corp	7/10/2007	Sears Holdings Corp	1,000	Discount and Department Store Retailing		
Ozaukee Bank,Cedarburg,WI	7/10/2007	Bank of Montreal,Ontario,CA	198	Banks		
Sound Energy Trust	7/9/2007	Advantage Energy Income Fund	442	Oil & Gas		
BrightStar Corp	7/9/2007	Lindsay Goldberg & Bessemer	283	Telecommunications Equipment		
MCT Corp	7/9/2007	TeliaSonera AB	300	Wireless		
First Indiana Corp,Indiana	7/9/2007	Marshall & Ilsley Corp,WI	529	Other Financials		
CompuCom Systems Inc	7/9/2007	IIM Acquisition Corp	628	IT Consulting & Services		
FL Health Plan Administrators	7/9/2007	Coventry Health Care Inc	685	Healthcare Providers & Services (HMOs)		
ConocoPhillips Co	39272	ConocoPhillips Co	15000	Oil & Gas		
Johnson & Johnson Inc	39272	Johnson & Johnson Inc	10000	Healthcare Equipment & Supplies		
Sequa Corp	7/9/2007	Carlyle Group LLC	2,662	Chemicals		
Sempra Energy Inc	7/9/2007	Sempra Energy Inc	2,000	Oil & Gas		
Sempra Commodities	7/9/2007	Royal Bank of Scotland Grp PLC	1,300	Professional Services		
GGP/Homart I Portfolio	7/9/2007	General Growth Properties Inc	950	Non Residential		
Lipstick Building,NY City	7/9/2007	Investor Group	649	Non Residential		
Postini Inc	7/9/2007	Google Inc	625	Software		
DESCO Group-Retail Centers(33)	7/9/2007	Investor Group	400	Non Residential		
American Imaging Management	7/9/2007	WellPoint Inc	300	Healthcare Providers & Services (HMOs)		
Intuit Eclipse	7/9/2007	Activant Solutions Inc	100	Software		
JDS Pharmaceuticals LLC	7/9/2007	Noven Pharmaceuticals Inc	135	Pharmaceuticals		
High Yield Credit Rating Upgrades for Last 2 Weeks						
Company Name	Date	Rating Type	Agency	Current	Last	Industry
Aeroflex Inc	7/10/2007	LT Local Issuer Credit	S&P	B	B *	Networking Products
Bank Lippo Tbk PT	7/6/2007	LT Local Issuer Credit	S&P	B+	NR	Commer Banks Non-US
Centennial Cellular Operating Co LLC	7/10/2007	LT Local Issuer Credit	S&P	B	B-	Cellular Telecom
Centennial Communications Corp	7/10/2007	LT Local Issuer Credit	S&P	B	B-	Cellular Telecom
Citation Corp	7/13/2007	LT Local Issuer Credit	S&P	B+	NR	Steel-Producers
Compucom Systems Inc	7/17/2007	LT Local Issuer Credit	S&P	B+	B+ *	Computer Services
Continental Global Group Inc	7/12/2007	LT Local Issuer Credit	S&P	B	NR	Diversified Operations
Cornell Cos Inc	7/19/2007	LT Local Issuer Credit	S&P	B	B- **	Private Corrections
Corp Durango SAB de CV	7/9/2007	LT Local Issuer Credit	S&P	B+	NR	Paper&Related Products
DEL Laboratories Inc	7/10/2007	LT Local Issuer Credit	S&P	B-	CCC+ *	Cosmetics&Toiletries
Doral Financial Corp	7/20/2007	LT Local Issuer Credit	S&P	B **	B *	Finance-Mtge Loan/Banker
Gatehouse Media Operating Inc	7/19/2007	LT Local Issuer Credit	S&P	B+	B+ *	Publishing-Newspapers

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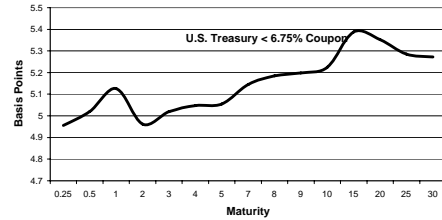
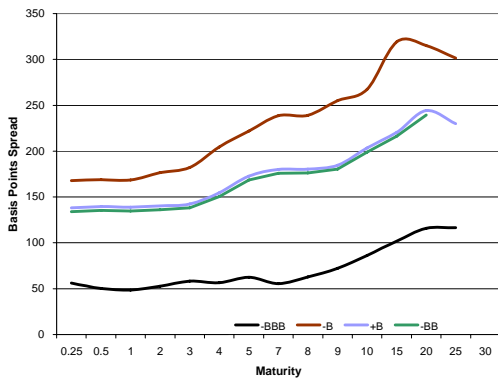
Week ending July 20, 2007

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Houghton Mifflin Riverdeep Group	7/18/2007	LT Local Issuer Credit	S&P	B- *	B-	Educational Software
ITC Deltacom Inc	7/11/2007	LT Local Issuer Credit	S&P	B-	NR	Telecom Services
JBS SA	7/17/2007	LT Local Issuer Credit	S&P	B+	B+ *	Food-Meat Products
Jenoptik AG	7/6/2007	LT Local Issuer Credit	S&P	BB-	B+	Miscellaneous Manufactur
Lear Corp	7/17/2007	LT Local Issuer Credit	S&P	B+ *	B	Auto/Trk Prts&Equip-Orig
Leucadia National Corp	7/16/2007	LT Local Issuer Credit	S&P	BB+	BB	Diversified Operations
MEGA Brands Inc	7/6/2007	LT Local Issuer Credit	S&P	B+	B+ *	Toys
Paramount Resources Ltd	7/18/2007	LT Local Issuer Credit	S&P	B	CCC+ *	Oil Comp-Explor&Prodn
Playtex Products Inc	7/13/2007	LT Local Issuer Credit	S&P	B+ *	B+	Consumer Products-Misc
Production Resource Group LLC	7/16/2007	LT Local Issuer Credit	S&P	B+	NR	Motion Pictures&Services
Riverdeep Interactive Learning USA Inc	7/18/2007	LT Local Issuer Credit	S&P	B- *	B-	Educational Software
Saskatchewan Wheat Pool Inc	7/19/2007	LT Local Issuer Credit	S&P	BB	B+ *	Agricultural Operations
Sazka	7/9/2007	LT Local Issuer Credit	S&P	B+	B+ *	Leisure&Rec Products
Swift & Co	7/6/2007	LT Local Issuer Credit	S&P	B+ *	B+ *	Food-Meat Products
Teskay Corp	7/6/2007	LT Local Issuer Credit	S&P	BB+	BB+ *	Transport-Marine
Ukrsotbank JSCB	7/6/2007	LT Local Issuer Credit	S&P	B	B	Commer Banks Non-US
Wimm-Bill-Dann Foods OJSC	7/12/2007	LT Local Issuer Credit	S&P	BB-	B+ *	Food-Dairy Products

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
BOBG Max Azria Group Inc	7/10/2007	LT Local Issuer Credit	S&P	B- *	B	Textile-Apparel
Chaparral Steel Co	7/11/2007	LT Local Issuer Credit	S&P	B+ *	B+	Steel-Producers
Compucom Systems Inc	7/6/2007	LT Local Issuer Credit	S&P	B+ *	B+	Computer Services
Corus Group PLC	7/10/2007	LT Local Issuer Credit	S&P	BB-	BB *	Steel-Producers
Equistar Chemicals LP	7/17/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Chemicals-Specialty
Fraser Papers Inc	7/9/2007	LT Local Issuer Credit	S&P	CCC-	CCC+	Paper&Related Products
Gerdau Ameristeel Corp	7/11/2007	LT Local Issuer Credit	S&P	BB+ *	BB+	Steel-Producers
Kaufman & Broad SA	7/19/2007	LT Local Issuer Credit	S&P	B+	BB+	Bldg-Residential/Commer
K-Sea Transportation Partners LP	7/13/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Transport-Marine
LBREPL SunCal Master I LLC	7/19/2007	LT Local Issuer Credit	S&P	B-	B+ *	Property Trust
Lyondell Chemical Co	7/17/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Chemicals-Diversified
Millennium Chemicals Inc	7/17/2007	LT Local Issuer Credit	S&P	B+ *	B+	Chemicals-Specialty
Pogo Producing Co	7/18/2007	LT Local Issuer Credit	S&P	BB- *	BB *	Oil Comp-Explor&Prodn
Sequa Corp	7/10/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Aerospace/Defense-Equip
Swift & Co	7/17/2007	LT Local Issuer Credit	S&P	B	B+ *	Food-Meat Products
Targa Resources Inc	7/19/2007	LT Local Issuer Credit	S&P	B	B+ *	Pipelines
Tata Steel Ltd	7/10/2007	LT Local Issuer Credit	S&P	BB	BBB *	Steel-Producers
Telemobil	7/16/2007	LT Local Issuer Credit	S&P	B- *	B-	Cellular Telecom
TOUSA Inc	7/12/2007	LT Local Issuer Credit	S&P	CCC+	B- *	Bldg-Residential/Commer
Tronox Inc	7/12/2007	LT Local Issuer Credit	S&P	BB- *	BB-	Chemicals-Specialty

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-	(54)	(58)	(62)	(101)
B+	(60)	(60)	(49)	(78)
BB-	(63)	(58)	(44)	(41)
BBB-	(71)	(79)	(79)	(80)

**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.



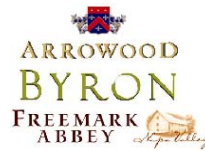
Chapter 11 Reorganization
\$525 million

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
\$225 million

Financial Advisor to the Ad-hoc Committee of Second Lien Lenders of Berkline BenchCraft Holdings



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