

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 14

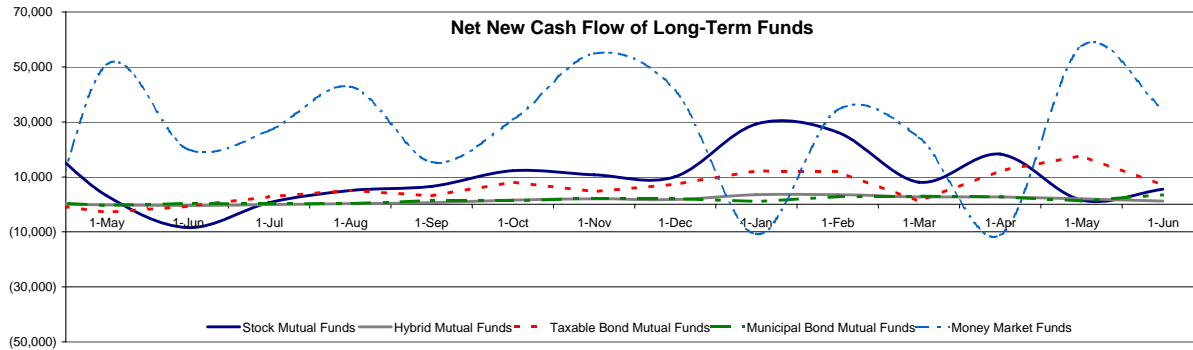
Week ending August 3, 2007

Key Market Indicators

	August 3, 2007		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	13,463.33	13,181.91	13,943.42	13,181.91	(669.17)	(4.83%)	718.76	6.42%
Nasdaq	2,575.98	2,511.25	2,690.58	2,511.25	(176.35)	(6.56%)	95.96	3.97%
S&P 500	1,472.20	1,433.06	1,541.57	1,433.06	(101.04)	(6.59%)	14.76	1.04%
Russell 2000	783.99	755.42	835.62	755.42	(81.02)	(9.69%)	(32.24)	(4.09%)
OEX Volatility Index	21.22	25.16	25.16	16.81	8.21	48.44%	13.60	117.65%
Prime Rate	8.25%							
	1 month	3 months	6 months	1 Year				
LIBOR	5.33%	5.36%	5.31%	5.21%				

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

	Jun-07	May-07	Apr-07	Mar-07	Feb-07	Jan-07	YTD
Stock Mutual Funds	\$5,485	\$1,547	\$18,311	\$18,311	\$26,285	\$29,205	\$99,144
Hybrid Mutual Funds	\$1,159	\$2,017	\$2,734	\$2,734	\$3,563	\$3,587	\$15,794
Taxable Bond Funds	\$7,017	\$17,705	\$12,234	\$12,234	\$11,935	\$12,274	\$73,399
Municipal Bond Funds	\$508	\$3,578	\$1,328	\$1,328	\$3,128	\$2,820	\$12,690
Money Market Funds	\$34,618	\$57,569	(\$11,282)	(\$11,282)	\$34,417	(\$10,838)	\$93,202



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)	275.0	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
Tower Automotive CEO Resigns	na	8/3/2007	DBR
Ford To Sell Land Rover, Jaguar By End Of September; Volvo By End Of Year	na	8/3/2007	DBR
Landry's Restaurant Obtains Temporary Restraining Order To Force Withdrawal Of 'Notice Of Accelerations' On 7.5% Senior Notes	na	8/3/2007	DBR
C-Bass Retains Blackstone To Assist In Efforts To Solve Liquidity Challenge	na	8/3/2007	DBR
DaimlerChrysler Closes Transaction On Transfer Of Majority Interest In Chrysler To Cerberus	\$7,400.0	8/3/2007	DBR
Judge Approves Appaloosa Plan To Pump \$2.6 Billion Into Delphi	\$2,600.0	8/3/2007	DBR

M&A Announced Transactions

Target	Date	Acquirer	Value (\$mm)	Industry
ASAP Software Express Inc	8/2/2007	Dell Inc	340	High Technology
CheckFree Corp	8/2/2007	Fiserv Inc	3,935	Consumer Products and Services
Benshaw Advanced Controls & Oakleaf Global Holdings Inc	8/1/2007	Curtiss Wright Corp	102	High Technology
Pelco	8/1/2007	Investor Group	655	Financials
Safeco Corp	8/1/2007	Schneider Electric SA	1,540	High Technology
Undisclosed Post-Acute Care	8/1/2007	Safeco Corp	750	Financials
Metromedia International Group	8/1/2007	Behrman Capital	250	Healthcare
Hilcorp Energy Co-Cert Asts	7/31/2007	Fursa Alternative Strategies	567	Telecommunications
Crescent RE Equities-Class A	7/31/2007	EnergyQuest II LLC	135	Energy and Power
Stags Leap Wine Cellars	7/31/2007	Undisclosed Acquirer	382	Real Estate
H-G Holdings Inc	7/30/2007	Undisclosed Joint Venture	185	Consumer Staples
		Concur Technologies Inc	160	High Technology

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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 August 3, 2007

M&A Announced Transactions (Continued)

Target	Date	Acquirer	Value (\$mm)	Industry
Rural Cellular Corp	7/30/2007	Verizon Wireless Inc	2,088	Telecommunications
Petrogulf Corp-Coal Bed	7/30/2007	Pioneer Natural Resources Co	205	Energy and Power
Nationwide Health Pty-Skilled	7/29/2007	Undisclosed Acquirer	128	Healthcare
Ingersoll-Rand Co Ltd-Bobcat,	7/29/2007	Doosan Infracore Co Ltd	4,900	Industrials
Spraberry Midkiff-Benedum Gas	7/27/2007	Pioneer Natural Resources Co	230	Energy and Power
Deb Shops Inc	7/27/2007	DSI Holdings LLC	260	Retail
Kyphon Inc	7/27/2007	Medtronic Inc	4,417	Healthcare
USB Holding Co Inc,Orangeburg	7/27/2007	KeyCorp,Cleveland,Ohio	568	Financials
Lucy Activewear Inc	7/26/2007	VF Corp	110	Retail
Business.com Inc	7/26/2007	RH Donnelley Corp	345	High Technology
Seven For All Mankind LLC	7/26/2007	VF Corp	775	Retail
Forest City Entpr-Assisted(12)	7/26/2007	Atria Senior Living Group Inc	607	Healthcare
Oglebay Norton Co	7/26/2007	Investor Group	500	Materials
FNB Corp,Christianburg,VA	7/26/2007	Virginia Finl Grp,Culpeper,VA	240	Financials
Hospitality Ppty-Homestead(18)	7/26/2007	Undisclosed Acquirer	205	Media and Entertainment
NovaCardia Inc	7/25/2007	Merck & Co Inc	350	Healthcare
Apple Hospitality Five Inc	7/25/2007	Inland American RE Tr Inc	632	Real Estate
Dade Behring Holdings Inc	7/25/2007	Siemens Medical Solutions Inc	7,680	Healthcare
PRA International	7/25/2007	Genstar Capital LLC	657	Consumer Products and Services
PVF Capital Corp	7/24/2007	United Community Finl Corp,OH	143	Financials
Lodi Gas Storage LLC	7/24/2007	Buckeye Gas Storage LLC	440	Energy and Power
Ryerson Inc	7/24/2007	Platinum Equity LLC	2,240	Materials
Republic Property Trust	7/24/2007	Liberty Property Trust	790	Real Estate
Cumulus Media Inc	7/23/2007	Investor Group	1,258	Media and Entertainment
Opware Inc	7/23/2007	Hewlett-Packard Co	1,613	High Technology
Arrow International Inc	7/23/2007	Teleflex Inc	2,010	Healthcare
GlobalSantaFe Corp	7/23/2007	Transocean Inc	17,371	Energy and Power
United Rentals Inc	7/23/2007	Cerberus Capital Management LP	3,993	Consumer Products and Services
Amer Standard Cos Inc-Bath &	7/23/2007	Bain Capital Partners LLC	1,755	Industrials
Neoware Inc	7/23/2007	Hewlett-Packard Co	212	High Technology
ASAlliances Biofuels LLC-Ethan	7/23/2007	Verasun Energy Corp	725	Energy and Power
Misys Healthcare Sys-Diagnosti	7/22/2007	Vista Equity Partners LLC	382	High Technology
FoxHollow Technologies Inc	7/22/2007	ev3 Inc	611	Healthcare

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
InSight Health Services Corp	8/2/2007	LT Local Issuer Credit	S&P	B	D	US MRI/Medical Diag Imaging
Primedia Inc	8/2/2007	LT Local Issuer Credit	S&P	BB-	B +	US Publishing-Periodicals
Government of Grenada T-Bill	8/1/2007	LT Local Issuer Credit	S&P	B-	CCC+	GD Sovereign
Rock-Tenn Co	8/1/2007	LT Local Issuer Credit	S&P	BB+	BB +	US Paper&Related Products
Getronics NV	7/31/2007	LT Local Issuer Credit	S&P	B- +	B-	NL Computer Services
NorthWestern Corp	7/31/2007	LT Local Issuer Credit	S&P	BB+	BB+ -	US Electric-Integrated
Western Oil Sands Inc	7/31/2007	LT Local Issuer Credit	S&P	BB+ +	BB+	CA Oil Comp-Explor&Prodn
Georgica plc	7/30/2007	LT Local Issuer Credit	S&P	CCC+	CCC+ -	GB Leisure&Rec/Games
Rural Cellular Corp	7/30/2007	LT Local Issuer Credit	S&P	B- +	B-	US Cellular Telecom
Barneys New York Inc	7/27/2007	LT Local Issuer Credit	S&P	B	NR	US Retail-Apparel/Shoe
STATS ChipPAC Ltd	7/27/2007	LT Local Issuer Credit	S&P	BB+	BB +	SG Electronic Compo-Semicon
Industrias Metalurgicas Pesca	7/26/2007	LT Local Issuer Credit	S&P	B	NR	AR Metal Processors&Fabrica
American Steamship Owners Mu	7/25/2007	LT Local Issuer Credit	S&P	B+ +	B+	US N.A.
MDM Bank	7/25/2007	LT Local Issuer Credit	S&P	BB	BB-	RU Commer Banks Non-US
Central Telecommunication Co	7/24/2007	LT Local Issuer Credit	S&P	B+	B +	RU Telephone-Integrated
Lear Corp	7/24/2007	LT Local Issuer Credit	S&P	B+	B +	US Auto/Trk Prts&Equip-Orig
Regency Gas Services LLC	7/24/2007	LT Local Issuer Credit	S&P	B+ +	B+	US Pipelines
Severstal	7/24/2007	LT Local Issuer Credit	S&P	BB	BB-	RU Steel-Producers
Doral Financial Corp	7/20/2007	LT Local Issuer Credit	S&P	B+ +	B+	PR Finance-Mtge Loan/Banker
Cornell Cos Inc	7/19/2007	LT Foreign Issuer Credit	S&P	B	B- +	US Private Corrections
Gatehouse Media Operating Inc	7/19/2007	LT Foreign Issuer Credit	S&P	B+	B+ -	US Publishing-Newspapers
Saskatchewan Wheat Pool Inc	7/19/2007	LT Foreign Issuer Credit	S&P	BB	B+ +	CA Agricultural Operations
Cornell Cos Inc	7/19/2007	LT Local Issuer Credit	S&P	B	B- +	US Private Corrections
Gatehouse Media Operating Inc	7/19/2007	LT Local Issuer Credit	S&P	B+	B+ -	US Publishing-Newspapers
Saskatchewan Wheat Pool Inc	7/19/2007	LT Local Issuer Credit	S&P	BB	B+ +	CA Agricultural Operations
Asat Holdings Ltd	8/3/2007	LT Local Issuer Credit	S&P	D	CCC	Electronic Compo-Semicon
Boston Scientific Corp	8/3/2007	LT Local Issuer Credit	S&P	BB+ -	BBB-	Medical Instruments
Chiquita Brands International Inc	8/3/2007	LT Local Issuer Credit	S&P	B-	B -	Food-Misc/Diversified
Kimball Hill Inc	8/2/2007	LT Local Issuer Credit	S&P	B+	BB-	Real Estate Oper/Develop
Atlantis Plastics Inc	8/1/2007	LT Local Issuer Credit	S&P	CCC+ -	CCC+	Rubber/Plastic Products
Beazer Homes USA Inc	8/1/2007	LT Local Issuer Credit	S&P	BB-	BB	Bldg-Residential/Commer
Best Brands Corp	8/1/2007	LT Local Issuer Credit	S&P	CCC+ -	B -	Food-Retail
Conexant Systems Inc	7/31/2007	LT Local Issuer Credit	S&P	B	B	Electronic Compo-Semicon
Mosenergo TGK-3 OAO	7/31/2007	LT Local Issuer Credit	S&P	B	B +	Electric-Integrated
Sobeys Inc	7/31/2007	LT Local Issuer Credit	S&P	BB+	BBB- -	Food-Retail
Atlas Pipeline Partners LP	7/27/2007	LT Local Issuer Credit	S&P	B+	BB- -	Pipelines
Carey International Inc	7/27/2007	LT Local Issuer Credit	S&P	CCC+ -	CCC+	Transport-Services
Commercial Vehicle Group Inc	7/27/2007	LT Local Issuer Credit	S&P	BB- -	BB-	Auto/Trk Prts&Equip-Repl
Oglebay Norton Co	7/27/2007	LT Local Issuer Credit	S&P	B -	B +	Diversified Minerals
Payless Shoesource Inc	7/27/2007	LT Local Issuer Credit	S&P	B+	BB- -	Retail-Apparel/Shoe

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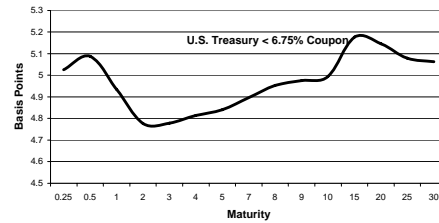
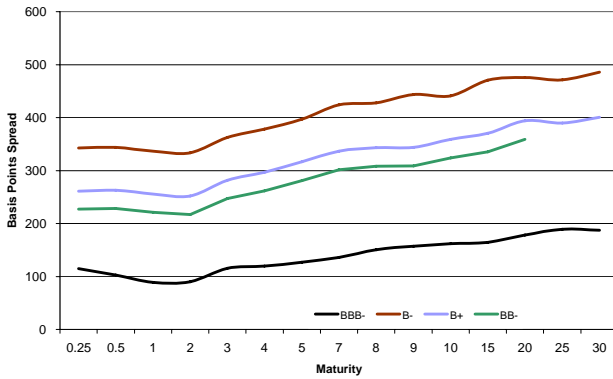
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High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry	
Trade House Kopeyka OJSC	7/27/2007	LT Local Issuer Credit		S&P	B- -	Retail-Hypermarkets	
WCI Communities Inc	7/27/2007	LT Local Issuer Credit		S&P	CCC+ +-	Bldg-Residential/Commer	
Community Health Systems Inc	7/26/2007	LT Local Issuer Credit		S&P	B+	BB- -	Medical-Hospitals
Golden Nugget Inc	7/25/2007	LT Local Issuer Credit		S&P	CCC *	B+	Casino Hotels
Landry's Restaurants Inc	7/25/2007	LT Local Issuer Credit		S&P	CCC *	B+ -	Retail-Restaurants
NXP BV	7/25/2007	LT Local Issuer Credit		S&P	BB-	BB	Electronic Compo-Misc
American Color Graphics Inc	7/24/2007	LT Local Issuer Credit		S&P	CC -	CCC	Printing-Commercial
Ryerson Inc	7/24/2007	LT Local Issuer Credit		S&P	B+ -	B+	Steel-Producers
TWC Holding LLC / TWC Holding Corp	7/24/2007	LT Local Issuer Credit		S&P	D	CCC- -	Special Purpose Entity
United Rentals Inc	7/24/2007	LT Local Issuer Credit		S&P	BB- -	BB- *	Rental Auto/Equipment
United Rentals North America Inc	7/24/2007	LT Local Issuer Credit		S&P	BB- -	BB- *	Rental Auto/Equipment
Vertis Inc	7/24/2007	LT Local Issuer Credit		S&P	CC -	B- -	Publishing-Periodicals
Wornick Co/The	7/24/2007	LT Local Issuer Credit		S&P	D	CCC- -	Food-Misc/Diversified
Expedia Inc	7/23/2007	LT Local Issuer Credit		S&P	BB	BB+ -	E-Commerce/Services
Kaufman & Broad SA	7/19/2007	LT Local Issuer Credit		S&P	B+	BB+	Bldg-Residential/Commer
LBREP/L SunCal Master I LLC	7/19/2007	LT Local Issuer Credit		S&P	B-	B+ -	Property Trust
Targa Resources Inc	7/19/2007	LT Local Issuer Credit		S&P	B	B+ -	Pipelines

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-	114	139	135	88
B+	84	122	120	61
BB-	54	98	98	77
BBB-	9	14	11	(2)

**Resources.
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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.



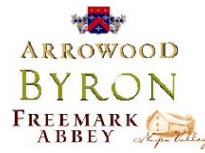
Chapter 11 Reorganization
\$525 million

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