

HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 17

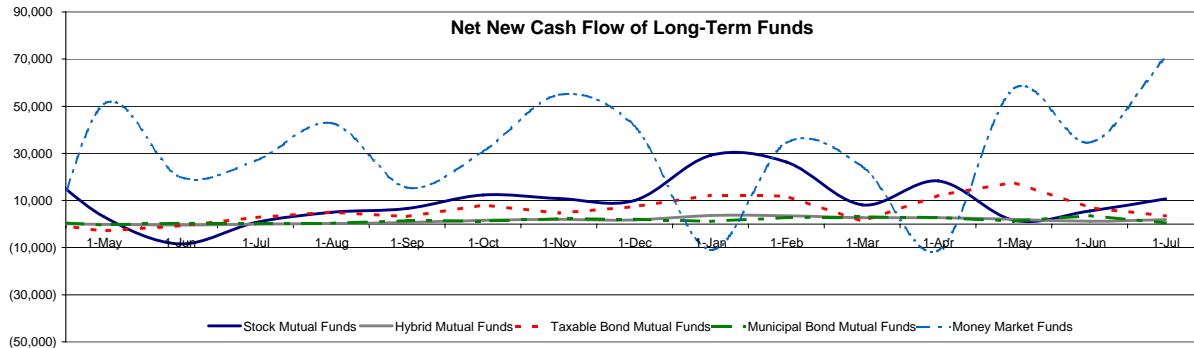
Week ending September 21, 2007

Key Market Indicators

	September 21, 2007		2 Week		2 Week		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %	Change	Change %
DJIA	13,766.70	13,820.19	13,820.19	13,127.85	706.81	5.39%	1,357.04	11.69%				
Nasdaq	2,654.29	2,671.22	2,671.22	2,559.11	105.52	4.11%	255.93	10.60%				
S&P 500	1,518.75	1,525.75	1,529.03	1,451.70	72.20	4.97%	107.45	7.58%				
Russell 2000	809.76	813.11	817.40	769.81	37.32	4.81%	25.45	3.23%				
OEX Volatility Index	20.45	19.00	27.38	19.00	(7.23)	(27.56%)	7.44	64.36%				
Prime Rate	7.75%											
	1 month		3 months		6 months		1 Year					
LIBOR	5.50%		5.59%		5.42%		5.12%					

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

	Jul-07	Jun-07	May-07	Apr-07	Mar-07	Feb-07	Jan-07	YTD
	Stock Mutual Funds	\$10,747	\$5,485	\$1,547	\$18,311	\$18,311	\$26,285	\$29,205
Hybrid Mutual Funds	\$1,872	\$1,159	\$2,017	\$2,734	\$2,734	\$3,563	\$3,587	\$17,666
Taxable Bond Funds	\$3,458	\$7,017	\$17,705	\$12,234	\$12,234	\$11,935	\$12,274	\$76,857
Municipal Bond Funds	\$191	\$508	\$3,578	\$1,328	\$1,328	\$3,128	\$2,820	\$12,881
Money Market Funds	\$71,141	\$34,618	\$57,569	(\$11,282)	(\$11,282)	\$34,417	(\$10,838)	\$164,343



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

Index	Jul-07 Level	Apr-07 Level	Mar-07 Level	Feb-07 Level	Jan-07 Level	Dec-06 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	193.5	193.3	192.5	192.1	192.4	192.0	0.83%
Altman-NYU Defaulted Public Bonds Index	199.4	201.4	200.0	198.2	197.1	191.0	4.38%
Combined Bank Loan-Public Bond Index	216.6	217.3	216.0	214.1	213.4	208.7	3.77%
S&P 500 (Dividends Reinvested)	271.3	275.1	263.4	260.5	265.7	261.7	3.64%
Citigroup High Yield Index	224.5	234.9	231.7	231.4	228.2	226.1	(0.70%)

Distressed News

Story Description	Size (\$mil)	Date	Source
Maxxam Intends To Help Finance Pacific Lumber's Chapter 11 Exit	na	9/14/2007	DBR
Solutia Inc. has asked a bankruptcy judge for permission to start looking for a new board of directors	na	9/14/2007	DBR
Troubled Movie Gallery To Miss Interest Payments To Lenders	na	9/14/2007	DBR
Delphi Corp. said it expects to close its powertrainsystems plant in Oak Creek, Wis., by the end of the year	na	9/14/2007	DBR
TrusteeWants Judge To Approve Le-Nature's Sale To Giant Eagle	na	9/14/2007	DBR
Builder Kara HomesWins OK For Reorganization Blueprint	na	9/14/2007	DBR

M&A Announced Transactions

Target	Date	Acquirer	Value (\$mm)	Industry
London Stock Exchange PLC	9/20/2007	DIFC	7,030	Financials
Pioneer Corp	9/20/2007	Sharp Corp	2,479	High Technology
Best Denki	9/20/2007	Bic Camera Inc	1,124	Retail
Mitsubishi UFJ NICOS Co Ltd	9/20/2007	Mitsubishi UFJ Financial Grp	17,908	Financials
Bank of Ayudhya PCL	9/19/2007	GE Capital Intl Holdings Corp	20,693	Financials
Oceanex Income Fund	9/19/2007	South Coast Partners LP	202	Financials
ECB Bancorp Inc,Engelhard,NC	9/19/2007	ECB Bancorp Inc,Engelhard,NC	632	Financials
ESB Financial Corp,PA	9/19/2007	ESB Financial Corp,PA	1,871	Financials
Habersham Bancorp,Cornelia,GA	9/19/2007	Habersham Bancorp,Cornelia,GA	484	Financials
BPO Properties Ltd	9/18/2007	BPO Properties Ltd	1,607	Real Estate
Emperor Mines Ltd	9/18/2007	Intrepid Mines Ltd	199	Materials
DundeeWealth Inc	9/18/2007	Bank of Nova Scotia,Toronto	2,259	Financials

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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	Date	Acquirer	Value (\$mm)	Industry
Gienow Windows & Doors Income	9/18/2007	HIG Capital LLC	180	Consumer Products and Services
Yu Ming Investments Ltd	9/18/2007	Yu Ming Investments Ltd	237	Financials
Imperial Metals Corp	9/18/2007	Imperial Metals Corp	459	Materials
Poong Lim Industrial Co Ltd	9/18/2007	Poong Lim Industrial Co Ltd	400	Industrials
Kellwood Co	9/18/2007	Sun Capital Securities LLC	926	Consumer Staples
Choice Hotels International	9/18/2007	Choice Hotels International	2,493	Media and Entertainment
Cosmo Oil Co Ltd	9/18/2007	Infinity Alliance Ltd	7,356	Energy and Power
Kumho Electric Inc	9/17/2007	Park Byung Koo	292	Industrials
Daewon Kang Up Co Ltd	9/17/2007	Daewon Kang Up Co Ltd	219	Industrials
WashTec AG	9/17/2007	WashTec AG	359	Industrials
SunCom Wireless Holdings Inc	9/17/2007	T-Mobile USA Inc	2,386	Telecommunications
EDO Corp	9/17/2007	ITT Corp	1,882	Industrials
Norgani Hotels ASA	9/14/2007	Oslo Properties AS	1,905	Media and Entertainment
Norgani Hotels ASA	9/14/2007	Oslo Properties AS	1,966	Media and Entertainment
Devgen NV	9/14/2007	Monsanto Co	377	Healthcare
DI Corp	9/14/2007	DI Corp	94	High Technology
Bebe Stores Inc	9/14/2007	Bebe Stores Inc	860	Consumer Staples
Tata Investment Corp Ltd	9/14/2007	Tata Sons Ltd	505	Financials
Sanyo Shinpan Finance Co Ltd	9/13/2007	Asahi Enterprise	3,549	Financials
Toei Co Ltd	9/12/2007	Toei Co Ltd	1,152	Media and Entertainment
Chemrez Technologies Inc	9/12/2007	D & L Industries Inc	108	Materials
MidWestOne Financial Grp Inc	9/12/2007	ISB Financial Corp	779	Financials
Peoples Comnty Bancorp Inc,OH	9/12/2007	Integra Bank Corp	1,015	Financials
Toei Co Ltd	9/12/2007	Investor Group	1,156	Media and Entertainment
Central Finance Co Ltd	9/12/2007	Central Finance Co Ltd	4,285	Financials
Ranhill Power Bhd	9/11/2007	Ranhill Bhd	196	Energy and Power
TransAlta Corp	9/11/2007	TransAlta Corp	8,069	Energy and Power
United Retail Group Inc	9/11/2007	Redcats USA LP	147	Consumer Staples
Epic Bancorp	9/11/2007	Epic Bancorp	535	Financials
Concept Hire Ltd	9/11/2007	Cape Australia Invest Pty Ltd	107	Consumer Products and Services
Norgani Hotels ASA	9/10/2007	Aberdeen Property Investors AS	1,868	Media and Entertainment
Hunan Ava Holdings Co Ltd	9/10/2007	Investor Group	216	Consumer Staples
MOSAID Technologies Inc	9/10/2007	MOSAID Technologies Inc	141	High Technology

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Harman International Industries Inc	9/21/2007	LT Foreign Issue S&P	BB- *	BB- *	US	Audio/Video Products
Harman International Industries Inc	9/21/2007	LT Local Issuer C S&P	BB- *	BB- *	US	Audio/Video Products
Tensar Corp/The	9/21/2007	LT Foreign Issue S&P	B+ *	B+ *	US	Building-Heavy Construct
Tensar Corp/The	9/21/2007	LT Local Issuer C S&P	B+ *	B+ *	US	Building-Heavy Construct
Nasdaq Stock Market Inc/The	9/20/2007	LT Local Issuer C S&P	BB+ *	BB	US	Finance-Other Services
Nasdaq Stock Market Inc/The	9/20/2007	LT Foreign Issue S&P	BB+ *	BB	US	Finance-Other Services
Riskmetrics Group Inc	9/20/2007	LT Local Issuer C S&P	B+ *	B	US	Commercial Serv-Finance
Riskmetrics Group Inc	9/20/2007	LT Foreign Issue S&P	B+ *	B	US	Commercial Serv-Finance
Saks Inc	9/20/2007	LT Local Issuer C S&P	B+ *	B+	US	Retail-Major Dept Store
Saks Inc	9/20/2007	LT Foreign Issue S&P	B+ *	B+	US	Retail-Major Dept Store
Yioula Glassworks SA	9/19/2007	LT Local Issuer C S&P	B+	B+ *	GR	Containers-Metal/Glass
Yioula Glassworks SA	9/19/2007	LT Foreign Issue S&P	B+	B+ *	GR	Containers-Metal/Glass
Flextronics International Ltd	9/18/2007	LT Foreign Issue S&P	BB+	BB+ *	SG	Electronic Compo-Misc
Flextronics International Ltd	9/18/2007	LT Local Issuer C S&P	BB+	BB+ *	SG	Electronic Compo-Misc
Great Atlantic & Pacific Tea Co	9/17/2007	LT Local Issuer C S&P	B- *	B- *	US	Food-Retail
Great Atlantic & Pacific Tea Co	9/17/2007	LT Foreign Issue S&P	B- *	B- *	US	Food-Retail
Hights Cross Communications Inc	9/17/2007	LT Local Issuer C S&P	CCC+ *	CCC+ *	US	Publishing-Periodicals
Hights Cross Communications Inc	9/17/2007	LT Foreign Issue S&P	CCC+ *	CCC+ *	US	Publishing-Periodicals
Pathmark Stores Inc	9/17/2007	LT Local Issuer C S&P	B- *	B- *	US	Food-Retail
Pathmark Stores Inc	9/17/2007	LT Foreign Issue S&P	B- *	B- *	US	Food-Retail
SunCom Wireless Holdings Inc	9/17/2007	LT Foreign Issue S&P	B- *	B-	US	Cellular Telecom
SunCom Wireless Holdings Inc	9/17/2007	LT Local Issuer C S&P	B- *	B-	US	Cellular Telecom
Bank of South Pacific	9/14/2007	LT Foreign Issue S&P	B+	B	PG	Commer Banks Non-US
Independent State Of Papua New Guinea	9/14/2007	Foreign Currency S&P	B+	B	PG	Sovereign
Independent State Of Papua New Guinea	9/14/2007	Local Currency L S&P	BB-	B+	PG	Sovereign
Independent State Of Papua New Guinea	9/14/2007	Foreign Currency S&P	B+	B	PG	Sovereign
Independent State Of Papua New Guinea	9/14/2007	Local Currency L S&P	BB-	B+	PG	Sovereign
Papua New Guinea Treasury Bills	9/14/2007	LT Local Issuer C S&P	BB-	B+	PG	Sovereign
Papua New Guinea Treasury Bills	9/14/2007	LT Foreign Issue S&P	B+	B	PG	Sovereign
Asat Holdings Ltd	9/13/2007	LT Foreign Issue S&P	CCC-	D	HK	Electronic Compo-Semicon

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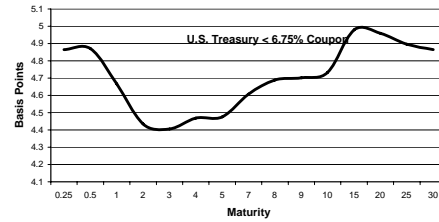
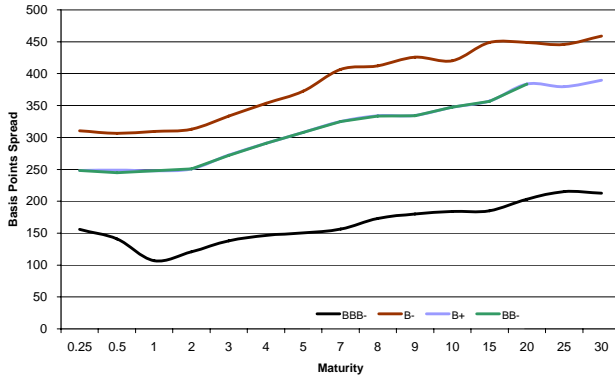
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High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Atlantis Plastics Inc	9/21/2007	LT Local Issuer C S&P	CCC- -	CCC+ -	US	Rubber/Plastic Products
Atlantis Plastics Inc	9/21/2007	LT Foreign Issue S&P	CCC- -	CCC+ -	US	Rubber/Plastic Products
Georgia Gulf Corp	9/21/2007	LT Foreign Issue S&P	B	B+	US	Chemicals-Diversified
Georgia Gulf Corp	9/21/2007	LT Local Issuer C S&P	B	B+	US	Chemicals-Diversified
SP Newsprint Co	9/21/2007	LT Foreign Issue S&P	BB- -	BB- *	US	Inactive/Unknown
SP Newsprint Co	9/21/2007	LT Local Issuer C S&P	BB- -	BB- *	US	Inactive/Unknown
Susser Holdings LLC	9/21/2007	LT Foreign Issue S&P	B+ -	B+	US	Diversified Operations
Susser Holdings LLC	9/21/2007	LT Local Issuer C S&P	B+ -	B+	US	Diversified Operations
Gainey Corp	9/20/2007	LT Local Issuer C S&P	B+ -	BB-	US	Transport-Truck
Gainey Corp	9/20/2007	LT Foreign Issue S&P	B+ -	BB-	US	Transport-Truck
Kabel Deutschland GmbH	9/20/2007	LT Foreign Issue S&P	B+ -	B+	DE	Cable TV
Kabel Deutschland GmbH	9/20/2007	LT Local Issuer C S&P	B+ -	B+	DE	Cable TV
Movie Gallery Inc	9/20/2007	LT Foreign Issue S&P	D	CC	US	Retail-Video Rental
Movie Gallery Inc	9/20/2007	LT Local Issuer C S&P	D	CC	US	Retail-Video Rental
Airborne Health Inc	9/19/2007	LT Foreign Issue S&P	CCC+ *	B	US	Vitamins&Nutrition Prod
Airborne Health Inc	9/19/2007	LT Local Issuer C S&P	CCC+ *	B	US	Vitamins&Nutrition Prod
Kellwood Co	9/19/2007	LT Foreign Issue S&P	BB- -	BB	US	Apparel Manufacturers
Kellwood Co	9/19/2007	LT Local Issuer C S&P	BB- -	BB	US	Apparel Manufacturers
Amscan Holdings Inc	9/18/2007	LT Foreign Issue S&P	B +	B	US	Consumer Products-Misc
Amscan Holdings Inc	9/18/2007	LT Local Issuer C S&P	B +	B	US	Consumer Products-Misc
First Data Corp	9/18/2007	LT Foreign Issue S&P	B+	BB+ -	US	Data Processing/Mgmt
First Data Corp	9/18/2007	LT Local Issuer C S&P	B+	BB+ -	US	Data Processing/Mgmt
Freescale Semiconductor Inc	9/18/2007	LT Local Issuer C S&P	BB- -	BB-	US	Electronic Compo-Semicon
Freescale Semiconductor Inc	9/18/2007	LT Foreign Issue S&P	BB- -	BB-	US	Electronic Compo-Semicon
Tronox Inc	9/18/2007	LT Local Issuer C S&P	B+	BB- *	US	Chemicals-Specialty
Tronox Inc	9/18/2007	LT Foreign Issue S&P	B+	BB- *	US	Chemicals-Specialty
Fidelity National Information Services Inc	9/17/2007	LT Local Issuer C S&P	BB	BB+ -	US	Data Processing/Mgmt
Fidelity National Information Services Inc	9/17/2007	LT Foreign Issue S&P	BB	BB+ -	US	Data Processing/Mgmt
Freedom Communications Inc	9/14/2007	LT Local Issuer C S&P	BB -	BB	US	Publishing-Newspapers
Freedom Communications Inc	9/14/2007	LT Foreign Issue S&P	BB -	BB	US	Publishing-Newspapers
KloECKner Pentaplast SA	9/14/2007	LT Local Issuer C S&P	B	BB- -	LU	Containers-Paper/Plastic
KloECKner Pentaplast SA	9/14/2007	LT Foreign Issue S&P	B	BB- -	LU	Containers-Paper/Plastic
Medianews Group Inc	9/14/2007	LT Local Issuer C S&P	BB- -	BB-	US	Publishing-Newspapers
Medianews Group Inc	9/14/2007	LT Foreign Issue S&P	BB- -	BB-	US	Publishing-Newspapers
Xinhua Finance Ltd	9/14/2007	LT Local Issuer C S&P	B	B+ -	CN	Multimedia
Xinhua Finance Ltd	9/14/2007	LT Foreign Issue S&P	B	B+ -	CN	Multimedia

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-	(66)	149	84	52
B+	(23)	113	70	42
BB-	86	119	79	93
BBB-	(3)	30	27	14

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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.

 <p>LAKE LAS VEGAS RESORT</p> <p>Out-of-Court Restructuring \$599.7 million</p> <p>Financial Advisor to the Ad-hoc Committee of First Lien Lenders of Lake Las Vegas Resort</p>	 <p>ALLIED HOLDINGS</p> <p>Chapter 11 Reorganization \$400 million</p> <p>Financial Advisor to the Official Committee of Unsecured Creditors of Allied Holdings, Inc.</p>	 <p>BERKLINE BENCHCRAFT</p> <p>Out-of-Court Restructuring \$225 million</p> <p>Financial Advisor to the Ad-hoc Committee of Second Lien Lenders of Berkline BenchCraft Holdings</p>	 <p>W</p> <p>Out-of-Court Restructuring \$235 million</p> <p>Financial Advisor to the Ad-hoc Committee of Senior Noteholders of Wolverine Tube, Inc.</p>
 <p>ARROWOOD BYRON FREEMARK ABBNEY</p> <p>Section 363 Asset Sale \$101 million</p> <p>Financial Advisor to Legacy Estate Group, LLC, in connection with the sale of substantially all its assets to Kendall-Jackson Wine Estates, Ltd.</p>	 <p>SATMEX</p> <p>Chapter 11 Reorganization \$525 million</p> <p>Financial Advisor to the Ad-hoc Committee of 10 1/8% Senior Notes of Satelites Mexicanos SA de CV</p>	 <p>OWENS CORNING</p> <p>Chapter 11 Reorganization \$13.6 billion</p> <p>Financial Advisor to an Ad-hoc Committee of Equity Security Holders</p>	<p>CRESCENT JEWELERS</p> <p>Chapter 11 Reorganization \$114 million</p> <p>Financial Advisor to Crescent Jewelers in connection with its Chapter 11 Reorganization and the New Money Plan funded by Harbinger Capital Partners</p>
 <p>PLIANT CORPORATION</p> <p>Chapter 11 Reorganization \$1.4 billion</p> <p>Financial Advisor to the Ad-hoc Committee of Second Lien Noteholders</p>	 <p>Birch telecom</p> <p>Chapter 11 Reorganization \$165 million</p> <p>Financial Advisor to the Official Committee of Unsecured Creditors</p>	<p>MERCURY</p> <p>Consent Solicitation \$800 million</p> <p>Financial Advisor to Mercury Interactive Corp. in connection with a consent solicitation with holders of approximately \$800 million in debt securities</p>	 <p>Sullivan Industries, Inc.</p> <p>Chapter 11 Reorganization \$390 million</p> <p>Financial Advisor to the Official Committee of Unsecured Creditors</p>