



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 11

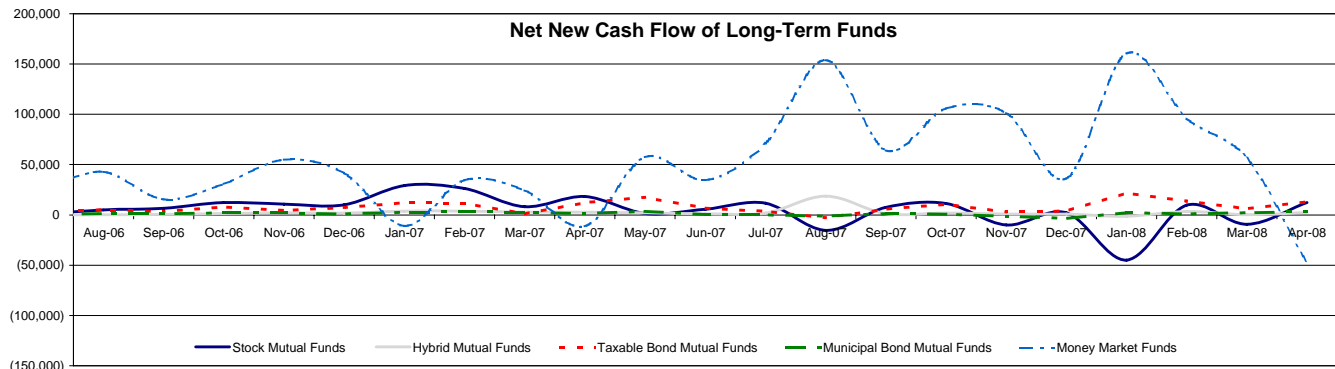
Week ending June 13, 2008

Key Market Indicators

	June 13, 2008		2 Week		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %
DJIA	12,144.59	12,307.35	12,750.84	12,029.46	(330.97)	(2.69%)	(736.61)	(5.99%)		
Nasdaq	2,423.05	2,454.50	2,549.94	2,388.49	(68.16)	(2.78%)	(155.13)	(6.32%)		
S&P 500	1,341.81	1,360.03	1,404.46	1,331.29	(40.35)	(2.97%)	(87.13)	(6.41%)		
Russell 2000	723.01	733.61	763.27	717.44	(14.67)	(2.00%)	(19.94)	(2.72%)		
OEX Volatility Index	23.02	21.22	24.47	17.56	3.39	15.98%	(1.95)	(9.19%)		
Prime Rate	5.00%									
LIBOR	1 month	3 months	6 months	1 Year						
	2.48%	2.79%	3.17%	3.21%						

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

	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07	Nov-07	Oct-07	YTD
Stock Mutual Funds	\$12,204	(\$9,425)	\$9,591	(\$44,837)	\$2,167	(\$9,939)	\$11,309	(\$31,511)
Hybrid Mutual Funds	\$2,308	\$193	\$3,270	(\$1,479)	\$928	\$874	\$1,835	\$4,301
Taxable Bond Funds	\$13,304	\$6,231	\$13,730	\$21,719	\$3,909	\$3,075	\$10,689	\$52,540
Municipal Bond Funds	\$3,448	\$2,552	\$1,212	\$2,513	(\$3,434)	(\$1,119)	\$713	\$9,725
Money Market Funds	(\$47,832)	\$56,658	\$96,084	\$160,423	\$36,273	\$101,369	\$105,805	\$267,328



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

Index	Mar-08 Level	Feb-08 Level	Jan-08 Level	Dec-07 Level	Nov-07 Level	Oct-07 Level	Jul-07 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	182.1	187.7	194.4	196.3	193.7	197.9	193.5	(7.22%)
Altman-NYU Defaulted Public Bonds Index	147.2	156.6	159.7	169.0	172.2	186.8	199.4	(12.93%)
Combined Bank Loan-Public Bond Index	182.9	190.3	196.0	201.8	201.5	211.1	216.6	(9.35%)
S&P 500 (Dividends Reinvested)	250.1	251.1	259.6	276.1	278.1	290.2	271.3	(9.45%)
Citigroup High Yield Index	223.4	224.4	227.3	230.2	229.6	234.7	224.5	(2.96%)

Distressed News

Story Description	Size (\$mil)	Date	Source
Lender Seeks Liquidation For Performance Transportation	na	6/13/2008	DBR
Homebuilder Legend Homes Seeks Bankruptcy Protection	\$198.0	6/12/2008	DBR
Some Creditors Of LandSource Challenge \$1.2B Financing Deal	na	6/11/2008	DBR
NBTY To Buy Leiner Health Products Assets For \$371 Million	na	6/11/2008	DBR
Fedders' Lenders To Help Fund Creditors' Recovery	na	6/10/2008	DBR
Goody's Files For Bankruptcy With Plans To Close 69 Stores	\$443.0	6/10/2008	DBR

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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

Target	Date	Acquirer	Value (\$mm)	Industry
Ambassador Steel Corporation	6/12/2008	Lehman Brothers Merchant Banking	185.0	Steel
Applera Corp-Applied Biosystems Group	6/11/2008	Pacific Investment Management Co LLC	6,365.6	Life Sciences Tools and Services
Superior Essex Inc.	6/11/2008	CBay, Inc.	1,251.0	Electrical Components
Sonitrol Corporation	6/11/2008	Penn West Energy Trust	275.0	Professional Services
CST/Berger Corporation	6/11/2008	Salton, Inc.	205.0	Construction and Machinery
B of A, Equity Prime Brokerage Business	6/10/2008	Harleysville National Corp.	300.0	Brokerage
Oberon Associates, Inc.	6/10/2008	Enstor Inc.	170.4	IT Consulting
Hunt Petroleum Corporation	6/9/2008	Tower Semiconductor Ltd.	4,146.3	Oil and Gas
Honeywell Consumables Solutions	6/9/2008	The Carlyle Group	1,050.1	Aerospace and Defense
HireRight, Inc.	6/9/2008	CBS Corporation	195.0	Internet Software and Services
CAM Commerce Solutions Inc.	6/9/2008	Finisar Corp.	178.6	Systems Software
Parish National Corporation	6/9/2008	Trading Emissions PLC	165.1	Regional Banks
Third Wave Technologies Inc.	6/8/2008	NRG Energy, Inc.	567.4	Biotechnology
Hilb Rogal & Hobbs Co.	6/7/2008	Wells Fargo Equity Capital, Inc.	2,138.0	Insurance Brokers
Asian American Coal, Inc.	6/6/2008	Lindsay Goldberg	417.0	Coal and Consumable Fuels
Trapeze Networks, Inc.	6/6/2008	Hewlett-Packard Co.	133.0	Communications Equipment
Alltel Corporation	6/5/2008	Cobham plc	29,548.3	Wireless Telecommunication
Henry Petroleum, LP	6/5/2008	Gordon Brothers Retail Partners LLC	565.0	Oil and Gas
Tumbleweed Communications Corp.	6/5/2008	Finmeccanica SpA	146.5	Internet Software and Services

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Steelcase Inc	6/13/2008	LT Local Issuer Credit	S&P	BBB	BBB-	Office Furnishings-Orig
United Subcontractors Inc	6/13/2008	LT Local Issuer Credit	S&P	B-	B-*	Building&Construct-Misc
MSCI Inc	6/12/2008	LT Local Issuer Credit	S&P	BB	BB-	Decision Support Software
Amazon.com Inc	6/11/2008	LT Local Issuer Credit	S&P	BB+	BB+*	E-Commerce/Products
Best Buy Co Inc	6/10/2008	LT Local Issuer Credit	S&P	BBB	BBB-*	Retail-Consumer Electronics
Walter Industries Inc	6/10/2008	LT Local Issuer Credit	S&P	B+*	B+	Coal
Crum & Forster Insurance Co	6/9/2008	LT Local Issuer Credit	S&P	BBB+	BBB+*	Insurance
Fairfax Financial Holdings Ltd	6/9/2008	LT Local Issuer Credit	S&P	BB+	BB+*	Property/Casualty Ins
Getty Images Inc	6/9/2008	LT Local Issuer Credit	S&P	BB-	BB-*	Advertising Services
North River Insurance Co	6/9/2008	LT Local Issuer Credit	S&P	BBB+	BBB+*	Insurance
Sotheby's	6/9/2008	LT Local Issuer Credit	S&P	BBB-	BB+*	Auction House/Art Dealer
TIG Holdings Inc	6/9/2008	LT Local Issuer Credit	S&P	BB	BB-*	Property/Casualty Ins
Tambec Industries Inc	6/9/2008	LT Local Issuer Credit	S&P	B-	CC+*	Forestry
United States Fire Insurance	6/9/2008	LT Local Issuer Credit	S&P	BBB+	BBB+*	Insurance
Aveta Inc	6/6/2008	LT Local Issuer Credit	S&P	CCC+	CCC+*	Medical-HMO
Mosaic Global Holdings Inc	6/6/2008	LT Local Issuer Credit	S&P	BBB-	BB+	Agricultural Chemicals

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Allion Science and Technology Corp	6/13/2008	LT Local Issuer Credit	S&P	B-	B-*	Research&Development
Barrington Broadcasting Co LLC	6/13/2008	LT Local Issuer Credit	S&P	B-*	B	Broadcast Serv/Program
Idearc Inc	6/13/2008	LT Local Issuer Credit	S&P	B+	BB+*	Publishing-Periodicals
LodgeNet Interactive Corp	6/13/2008	LT Local Issuer Credit	S&P	B+*	B+	Cable TV
Anheuser-Busch Cos Inc	6/12/2008	LT Local Issuer Credit	S&P	A-*	A	Brewery
Federal Home Loan Bank of Chicago	6/12/2008	LT Local Issuer Credit	S&P	AA	AA+*	Sovereign Agency
Fulton Financial Corp	6/12/2008	LT Local Issuer Credit	S&P	NR	BBB+	Commer Banks-Eastern US
Newark Group Inc	6/12/2008	LT Local Issuer Credit	S&P	B-*	B+*	Paper&Related Products
Builders FirstSource Inc	6/11/2008	LT Local Issuer Credit	S&P	B-*	B+*	Bldg&Construct Prod-Misc
X-Rite Inc	6/11/2008	LT Local Issuer Credit	S&P	CCC+*	B+*	Instruments-Controls
Quebecor World Inc	6/10/2008	LT Local Issuer Credit	S&P	NR	D	Printing-Commercial
Tambec Industries Inc	6/10/2008	LT Local Issuer Credit	S&P	NR	B-	Forestry
United Rentals North America Inc	6/10/2008	LT Local Issuer Credit	S&P	BB-*	BB-	Rental Auto/Equipment
Chesapeake Life Insurance Co	6/9/2008	LT Local Issuer Credit	S&P	BBB-	BBB	Life/Health Insurance
HealthMarkets Inc	6/9/2008	LT Local Issuer Credit	S&P	BB	BB+	Life/Health Insurance
Mega Life & Health Insurance Co	6/9/2008	LT Local Issuer Credit	S&P	BBB	BBB+	Insurance
Mid-West National Life Insurance Co	6/9/2008	LT Local Issuer Credit	S&P	BBB	BBB+	Insurance
BCBG Max Azria Group Inc	6/6/2008	LT Local Issuer Credit	S&P	CCC	B-	Textile-Apparel
CIFG Assurance North America Inc	6/6/2008	LT Local Issuer Credit	S&P	A-*	A+	Insurance
Financial Guaranty Insurance Co	6/6/2008	LT Local Issuer Credit	S&P	BB-*	BB	Inactive/Unknown
Natixis Financial Products Inc	6/6/2008	LT Local Issuer Credit	S&P	AA-*	AA	Special Purpose Entity
XL Capital Assurance Inc	6/6/2008	LT Local Issuer Credit	S&P	BBB-*	A-*	Financial Guarantee Ins
AMBAC Financial Group Inc	6/5/2008	LT Local Issuer Credit	S&P	A-*	AA	Financial Guarantee Ins
Allen Systems Group Inc	6/5/2008	LT Local Issuer Credit	S&P	B-*	B	Enterprise Software/Serv
Ambac Assurance Corp	6/5/2008	LT Local Issuer Credit	S&P	AA-*	AAA	Financial Guarantee Ins
Capital Markets Assurance Corp	6/5/2008	LT Local Issuer Credit	S&P	AA-*	AAA-*	Financial Guarantee Ins
MBIA Inc	6/5/2008	LT Local Issuer Credit	S&P	A-*	AA-	Financial Guarantee Ins
Plastech Engineered Products Inc	6/5/2008	LT Local Issuer Credit	S&P	NR	D	Auto/Trk Prts&Equip-Orig
Quality Home Brands Holdings LLC	6/4/2008	LT Local Issuer Credit	S&P	CCC+*	B-*	Bldg Prod-Light Fixtures
Rafaella Apparel Group Inc	6/4/2008	LT Local Issuer Credit	S&P	B-	B-*	Apparel Manufacturers
Residential Capital LLC	6/4/2008	LT Local Issuer Credit	S&P	SD	CC-*	Finance-Mtge Loan/Banker
Cohr Holdings	6/3/2008	LT Local Issuer Credit	S&P	B-	B	Health Care Cost Contain
Downey Financial Corp	6/3/2008	LT Local Issuer Credit	S&P	BBB-*	BBB-	S&L/Thrfts-Western US
Liz Claiborne Inc	6/3/2008	LT Local Issuer Credit	S&P	BB+	BBB+*	Retail-Apparel/Shoe
Pierre Foods Inc	6/3/2008	LT Local Issuer Credit	S&P	CCC+*	B	Food-Meat Products
Wyndham Worldwide Corp	6/3/2008	LT Local Issuer Credit	S&P	BBB-*	BBB	Hotels&Motels

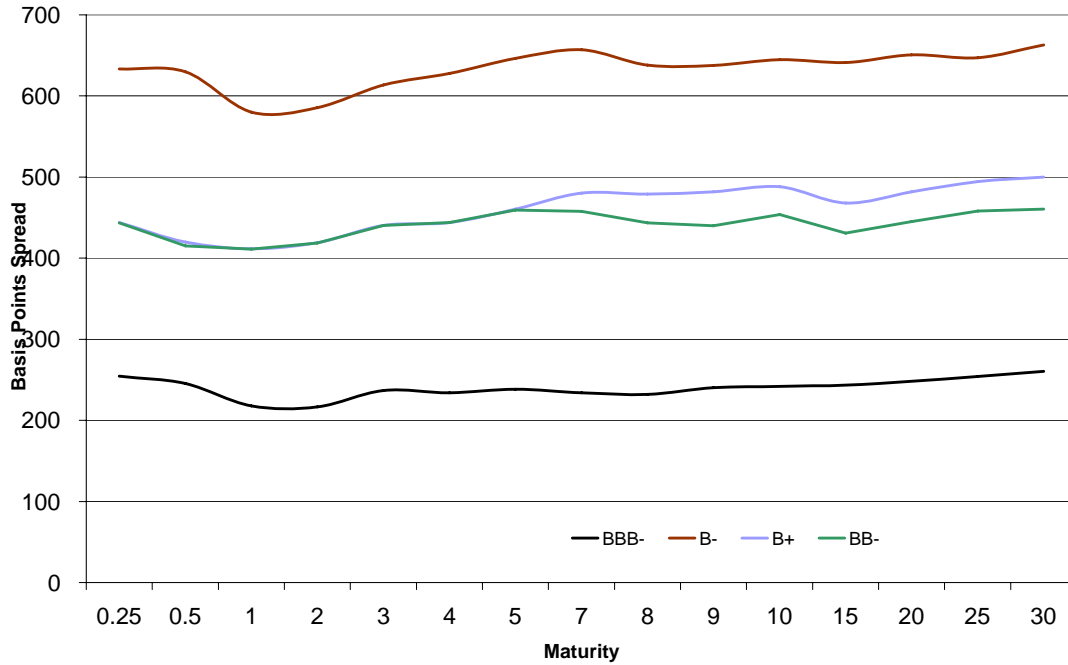


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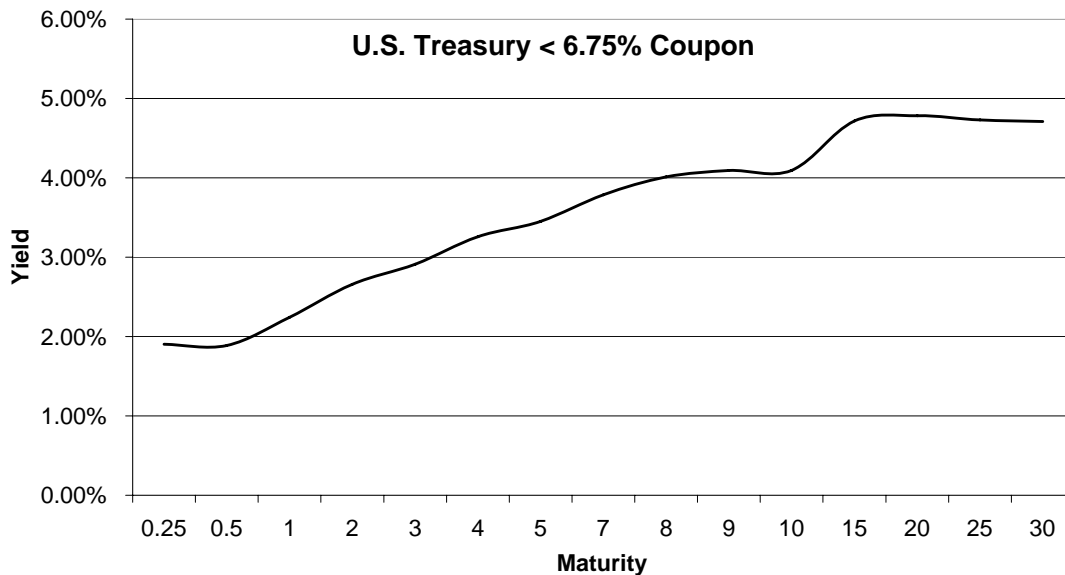
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Bond Spread To US Treasury Data



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-	1	25	121	418
B+	(10)	(82)	91	287
BB-	25	(44)	75	266
BBB-	1	15	55	108





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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. Chanin bankers structure each transaction with the most favorable financial terms – then add value beyond the numbers. Investment Banking services are provided by Duff & Phelps Securities, LLC.

Adelphia
Sale of the Company
\$20 billion
Financial Advisor to the Official Committee of Equity Security Holders of Adelphia Communications Corp.

Allied Holdings
Chapter 11 Reorganization
\$400 million
Financial Advisor to the Official Committee of Unsecured Creditors of Allied Holdings, Inc.

Berkline BenchCraft
Out-of-Court Restructuring
\$225 million
Financial Advisor to the Ad-hoc Committee of Second Lien Lenders of Berkline BenchCraft Holdings

Calpine
Chapter 11 Reorganization
\$363.6 million
Financial Advisor to the Rumford and Tiverton Pass Through Trust Certificate Holders

Global Power Equipment Group
Chapter 11 Reorganization
\$256 million
Financial Advisor to the Official Committee of Unsecured Creditors

Insight
Out-of-Court Restructuring
\$500 million
Financial Advisor to the Ad Hoc Committee of Second Lien Noteholders of Insight Health Corporation

Lake Las Vegas Resort
Out-of-Court Restructuring
\$599.7 million
Financial Advisor to the Ad-hoc Committee of First Lien Lenders of Lake Las Vegas Resort

Nellson Nutraceutical
Chapter 11 Reorganization
\$345 million
Financial Advisor to the Secured Lenders of Nellson Nutraceutical, Inc.

NeoPlan USA Corporation
Chapter 11 Reorganization
\$59 million
Financial Advisor to the Official Committee of Unsecured Creditors in connection with the Chapter 11 reorganization and assisted the Company in its various asset sale transactions

Pac-West
Chapter 11 Reorganization
\$66 million
Financial Advisor to the Official Committee of Unsecured Creditors of Pac-West Telecomm, Inc.

Remy
Out-of-Court Restructuring
\$1.89 billion
Financial Advisor to the Ad-hoc Committee of Second Lien FRN Holders of Remy International

Wolverine Tube, Inc.
Out-of-Court Restructuring
\$235 million
Financial Advisor to the Ad-hoc Committee of Senior Noteholders of Wolverine Tube, Inc.