



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 15

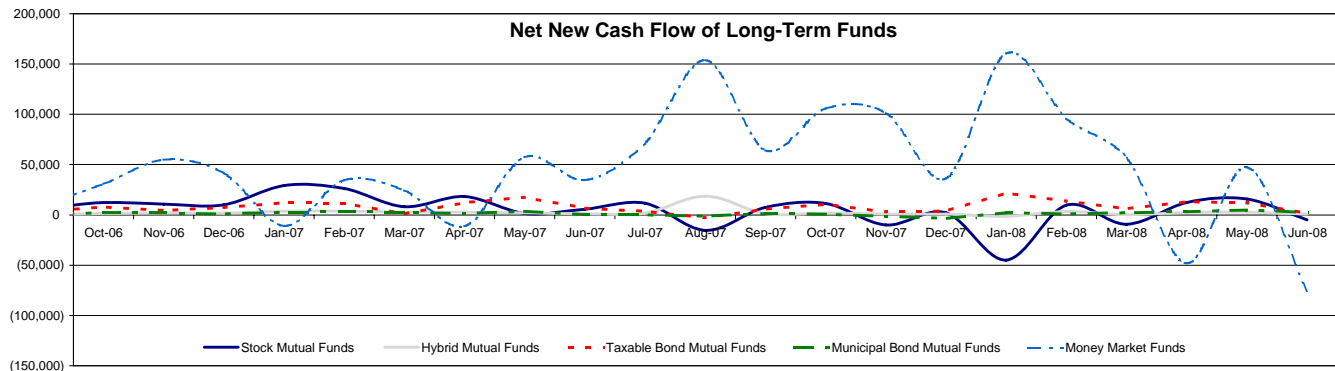
Week ending August 8, 2008

Key Market Indicators

	August 8, 2008		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	11,431.43	11,734.32	11,734.32	11,131.08	363.63	3.20%	(1,530.50)	(11.21%)
Nasdaq	2,355.73	2,414.10	2,414.10	2,264.22	103.57	4.48%	(238.18)	(8.98%)
S&P 500	1,266.07	1,296.32	1,296.32	1,234.37	38.56	3.07%	(172.04)	(11.72%)
Russell 2000	713.41	734.30	734.30	696.11	23.96	3.37%	(31.73)	(4.14%)
OEX Volatility Index	21.15	20.66	24.23	20.23	(2.25)	(9.82%)	(1.84)	(8.18%)
Prime Rate	5.00%							
LIBOR	1 month	3 months	6 months	1 Year				
	2.46%	2.80%	3.11%	3.22%				

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

	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07	YTD
Stock Mutual Funds	(\$4,803)	\$15,917	\$12,193	(\$9,425)	\$9,591	(\$44,837)	\$2,167	(\$20,422)
Hybrid Mutual Funds	\$699	\$2,855	\$2,311	\$193	\$3,270	(\$1,479)	\$928	\$8,035
Taxable Bond Funds	\$1,927	\$12,271	\$13,297	\$6,231	\$13,730	\$21,719	\$3,909	\$66,732
Municipal Bond Funds	\$2,648	\$5,012	\$3,456	\$2,552	\$1,212	\$2,513	(\$3,434)	\$17,393
Money Market Funds	(\$75,756)	\$47,297	(\$48,130)	\$56,658	\$96,084	\$160,423	\$36,273	\$238,665



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

Index	Jul-08 Level	Jun-08 Level	May-08 Level	Apr-08 Level	Mar-08 Level	Feb-08 Level	Jan-08 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	178.7	183.3	183.9	182.3	182.1	187.7	194.4	(8.99%)
Altman-NYU Defaulted Public Bonds Index	128.5	150.0	167.3	158.1	147.2	156.6	159.7	(23.95%)
Combined Bank Loan-Public Bond Index	173.2	185.7	193.8	188.2	182.9	190.3	196.0	(14.16%)
S&P 500 (Dividends Reinvested)	241.2	243.2	265.6	262.2	250.1	251.1	259.6	(12.65%)
Citigroup High Yield Index	223.4	226.8	234.5	233.3	223.4	224.4	227.3	(2.98%)

Distressed News

Story Description	Size (\$mil)	Date	Source
General Motors To Lend Delphi Additional \$300 Million In 2008	na	8/8/2008	DBR
Ascendia Files For Ch. 11 With Plans To Sell Assets	\$279.0	8/7/2008	DBR
SemGroup Wins Court Approval To Tap \$250M Bankruptcy Loan	na	8/7/2008	DBR
Eldorado Urges Tropicana To Decide On \$220M Riverboat Sale	na	8/6/2008	DBR
WCI Seeks Chapter 11 Protection To Ward Off \$1.8B Debt Default	\$1,800.0	8/5/2008	DBR
Steve & Barry's Reaches \$163M Takeover Deal With Bay Harbour	na	8/5/2008	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
QSP, Inc.	8/7/2008	Time Inc.	110.0	Diversified Financial Services
Country Road Communications, LLC	8/7/2008	Otelco Inc.	101.3	Alternative Carriers
DailyCandy, Inc.	8/5/2008	Comcast Corp.	125.0	Publishing
Valeant Pharmaceuticals International	8/4/2008	Meda AB	392.0	Pharmaceuticals
Ohio Central Railroad System, Inc.	8/4/2008	Genesee & Wyoming Inc.	244.0	Railroads
Dominion Technology Resources, Inc.	8/4/2008	QinetiQ North America Operations LLC	165.0	Professional Services
Steve & Barry's LLC, Certain Assets	8/4/2008	Bay Harbour Management L.C.	163.0	Apparel Retail
Koppers Inc., Monessen Coke Plant	8/4/2008	Arcelor Mittal	160.0	Steel
Evercore Capital, Minority Stake in 5 Companies	8/4/2008	Accretive Exit Capital Partners	110.0	Industrial Conglomerates
PeopleSupport Inc.	8/3/2008	Aegis BPO Services, Ltd.	249.6	Office Services and Supplies
PHP Companies, Inc.	8/1/2008	Humana Inc.	245.0	Managed Healthcare
Harold Lemay Enterprises, Inc.	8/1/2008	Waste Connections Inc.	203.3	Environmental and Facilities Services
Manitowoc Marine Group, LLC	8/1/2008	Lockheed Martin Corporation, Fincantieri S.p.A	120.0	Construction and Machinery
Orthodyne Electronics Corporation	7/31/2008	Kulicke & Soffa Industries Inc.	167.3	Electronic Equipment Manufacturers
Kulicke & Soffa Industries, Inc., Wire Business Unit	7/31/2008	W.C. Heraeus GmbH	155.0	Steel
BreitBurn Energy Company L.P.	7/30/2008	Metalmark Capital LLC, Greenhill Capital Partners, L.L.C.	305.0	Oil and Gas Refining and Marketing
U.S. Education Corporation	7/30/2008	DeVry, Inc.	290.0	Education Services
AmeriCast Technologies, Inc.	7/29/2008	Bradken Limited	259.6	Steel
EMIT Water Discharge Technology, LLC	7/29/2008	Exterran Holdings, Inc.	108.0	Water Utilities

High Yield Credit Rating Upgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Continental Airlines Inc	8/8/2008	LT Local Issuer Credit	S&P	B	B -	Airlines
Harley-Davidson Inc	8/7/2008	LT Local Issuer Credit	S&P	A	A -	Motorcycle/Motor Scooter
Quality Home Brands Holdings LLC	8/7/2008	LT Local Issuer Credit	S&P	CCC+ *	CCC+ *	Bldg Prod-Light Fixtures
Revlon Consumer Products Corp	8/7/2008	LT Local Issuer Credit	S&P	CCC+ **	CCC+	Cosmetics&Toiletries
Aventine Renewable Energy Holdings Inc	8/6/2008	LT Local Issuer Credit	S&P	B+	B+ *	Energy-Alternate Sources
First American Title Insurance	8/6/2008	LT Local Issuer Credit	S&P	A-	A- *	Property/Casualty Ins
VeraSun Energy Corp	8/6/2008	LT Local Issuer Credit	S&P	B+	B+ *	Energy-Alternate Sources
Greenwich Insurance Co	8/5/2008	LT Local Issuer Credit	S&P	A+	A+ *	Financial Guarantee Ins
Indian Harbour Insurance Co	8/5/2008	LT Local Issuer Credit	S&P	A+	A+ *	Insurance
NAC Re Corp	8/5/2008	LT Local Issuer Credit	S&P	A-	A- *	Property/Casualty Ins
XL Insurance Co	8/5/2008	LT Local Issuer Credit	S&P	A+	A+ *	Financial Guarantee Ins
International Paper Co	8/4/2008	LT Local Issuer Credit	S&P	BBB	BBB -	Paper&Related Products
Coimach Service Corp	7/31/2008	LT Local Issuer Credit	S&P	B	NR	Commercial Services
H&R Block Inc	7/31/2008	LT Local Issuer Credit	S&P	BBB	BBB- *	Commercial Serv-Finance
Innophos Inc	7/31/2008	LT Local Issuer Credit	S&P	B+	B	Chemicals-Other
Viterra Inc	7/31/2008	LT Local Issuer Credit	S&P	BB+	BB	Transport-Services

High Yield Credit Rating Downgrades for Last 2 Weeks

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Accuride Corp	8/8/2008	LT Local Issuer Credit	S&P	B	B+	Auto/Trk Prts&Equip-Orig
Chesapeake Corp	8/8/2008	LT Local Issuer Credit	S&P	CCC+ *	B -	Containers-Paper/Plastic
Commonwealth Land Title Insurance Co	8/8/2008	LT Local Issuer Credit	S&P	BBB+ *	A- *	Insurance
LandAmerica Financial Group Inc	8/8/2008	LT Local Issuer Credit	S&P	BB+ *	BBB- *	Property/Casualty Ins
Lawyers Title Insurance Corp	8/8/2008	LT Local Issuer Credit	S&P	BBB+ *	A- *	Insurance
M/I Homes Inc	8/8/2008	LT Local Issuer Credit	S&P	B	B+	Bldg-Residential/Commer
Oriental Trading Co	8/8/2008	LT Local Issuer Credit	S&P	CCC+	B-	Toys
Superior Essex Inc	8/8/2008	LT Local Issuer Credit	S&P	NR	BB+ *	Wire&Cable Products
Viskase Cos Inc	8/8/2008	LT Local Issuer Credit	S&P	CC -	CCC	Food-Misc/Diversified
Chrysler LLC	8/7/2008	LT Local Issuer Credit	S&P	CCC+	B- *	Auto-Cars/Light Trucks
Convergys Corp	8/7/2008	LT Local Issuer Credit	S&P	BBB-	BBB -	Commercial Services
DaimlerChrysler Financial Services Americas LLC	8/7/2008	LT Local Issuer Credit	S&P	CCC+	B- *	Insurance
Martin Marietta Materials Inc	8/7/2008	LT Local Issuer Credit	S&P	BBB+ *	BBB+	Bldg Prod-Cement/Aggreg
Rural Cellular Corp	8/7/2008	LT Local Issuer Credit	S&P	NR	B- *	Cellular Telecom
Vulcan Materials Co	8/7/2008	LT Local Issuer Credit	S&P	A- *	A-	Quarrying
Whole Foods Market Inc	8/7/2008	LT Local Issuer Credit	S&P	BB	BB+	Food-Retail
Ashton Woods USA LLC	8/6/2008	LT Local Issuer Credit	S&P	B -	B+	Real Estate Oper/Develop
Contech Construction Products Inc	8/6/2008	LT Local Issuer Credit	S&P	B+ *	B+	Bldg&Construct Prod-Misc
TLC Vision Corp	8/6/2008	LT Local Issuer Credit	S&P	B-	B	Medical Laser Systems
Xstrata Canada Corp	8/6/2008	LT Local Issuer Credit	S&P	BBB+ *	BBB+	Metal-Diversified
CSK Auto Inc	8/5/2008	LT Local Issuer Credit	S&P	NR	BB+ *	Retail-Auto Parts
Jones Apparel Group Inc	8/5/2008	LT Local Issuer Credit	S&P	BB	BB+ *	Apparel Manufacturers
Kimball Hill Inc	8/4/2008	LT Local Issuer Credit	S&P	NR	D	Real Estate Oper/Develop
McCormick & Co Inc/MD	8/4/2008	LT Local Issuer Credit	S&P	A-	A -	Food-Misc/Diversified
PNA Group Inc	8/4/2008	LT Local Issuer Credit	S&P	NR	B+ *	Non-Ferrous Metals
WCI Communities Inc	8/4/2008	LT Local Issuer Credit	S&P	D	CC	Bldg-Residential/Commer
Citation Corp	8/1/2008	LT Local Issuer Credit	S&P	NR	B	Steel-Producers
Deutsche Bank Trust Co Americas	8/1/2008	LT Local Issuer Credit	S&P	A+	AA-	Diversified Finan Serv
DriveTime Automotive Group	8/1/2008	LT Local Issuer Credit	S&P	B-	B+ *	Auto-Cars/Light Trucks
FelCor Lodging Trust Inc	8/1/2008	LT Local Issuer Credit	S&P	BB- *	BB-	REITS-Hotels
Fenwal Inc	8/1/2008	LT Local Issuer Credit	S&P	B	B+	Bloodstock Services
Journal Register Co	8/1/2008	LT Local Issuer Credit	S&P	NR	D	Publishing-Newspapers
Station Casinos Inc	8/1/2008	LT Local Issuer Credit	S&P	B -	B+	Casino Hotels
Ainsworth Lumber Co Ltd	7/31/2008	LT Local Issuer Credit	S&P	SD	CC -	Bldg Prod-Wood
American Axle & Manufacturing Inc	7/31/2008	LT Local Issuer Credit	S&P	B+	BB-	Auto/Trk Prts&Equip-Orig
Blue Cross & Blue Shield/Neb	7/31/2008	LT Local Issuer Credit	S&P	NR	A	Insurance

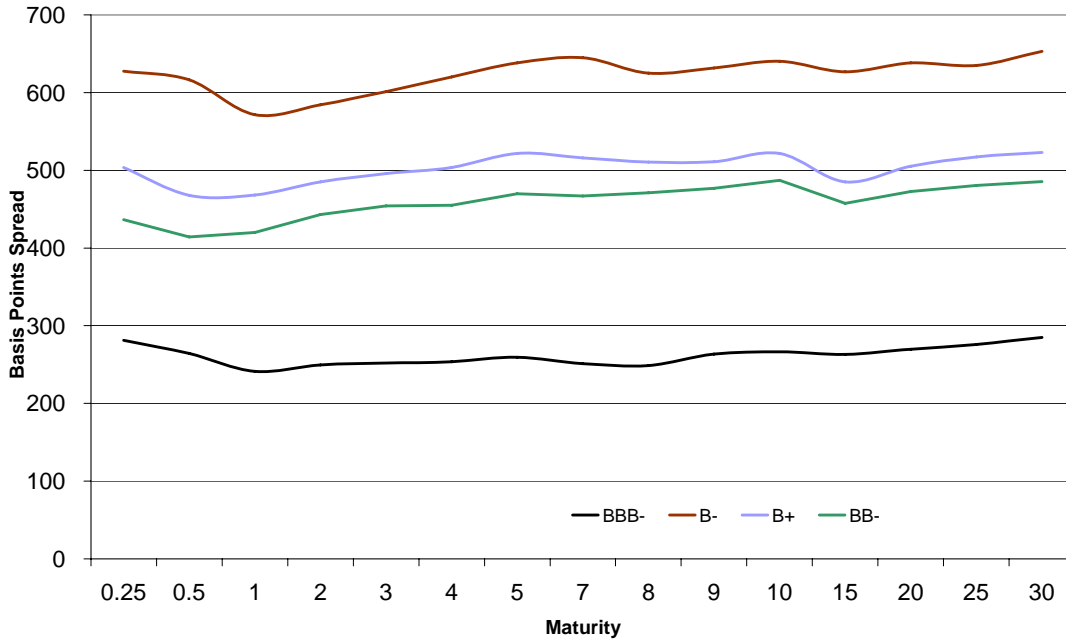


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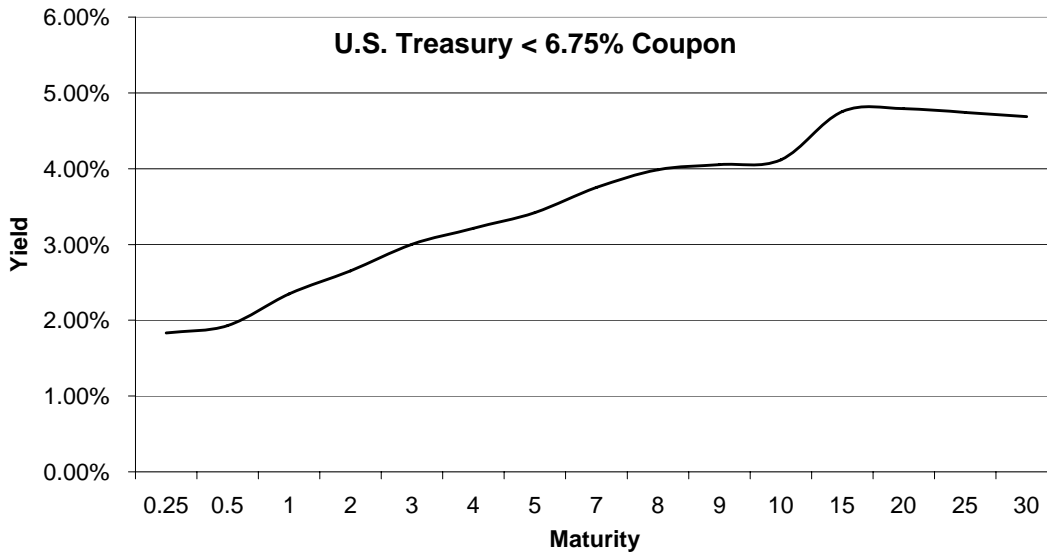
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Bond Spread To US Treasury Data



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-	24	(3)	53	213
B+	(6)	9	9	184
BB-	2	27	(23)	167
BBB-	1	23	39	117





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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.

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

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

Dura Automotive Systems
Chapter 11 Reorganization
\$1.5 billion
Financial Advisor to the Official Committee of Unsecured Creditors

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

Insight
Chapter 11 Reorganization
Financial Advisor to the Ad Hoc Committee of First 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.