



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 18

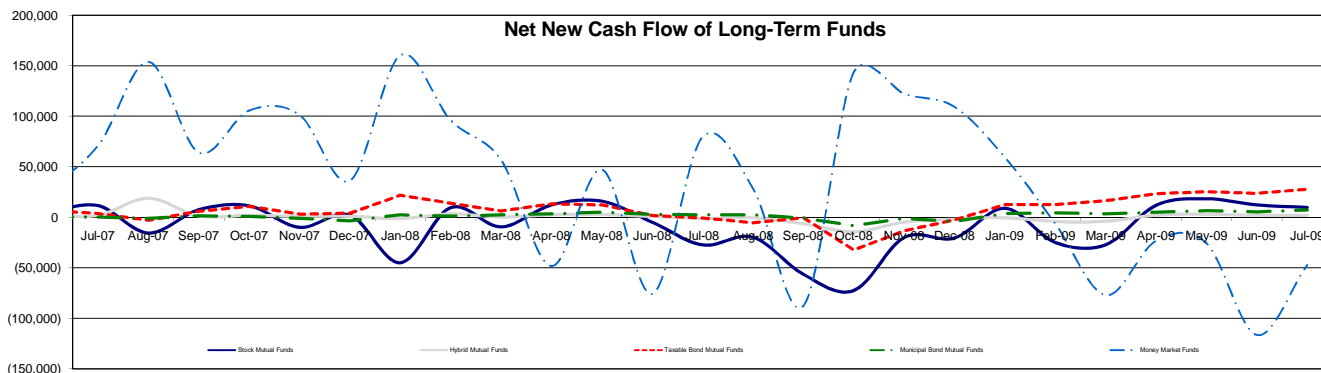
Week ending September 25, 2009

Key Market Indicators - Source: Bloomberg

	September 25, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	9,707.44	9,665.19	9,829.87	9,626.80	59.78	0.62%	630.50	5.82%
Nasdaq	2,107.61	2,090.92	2,146.30	2,090.92	10.02	0.48%	458.71	28.10%
S&P 500	1,050.78	1,044.38	1,071.66	1,044.38	1.65	0.16%	112.58	12.08%
Russell 2000	601.75	598.94	620.69	598.94	5.35	0.90%	93.10	18.41%
OEX Volatility Index	24.95	25.61	25.61	23.08	1.46	6.05%	(13.58)	(34.65%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.25%	0.28%	0.64%	1.24%				

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

	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	YTD
Stock Mutual Funds	\$9,768	\$12,191	\$18,380	\$11,896	(\$27,148)	(\$24,881)	\$8,922	\$9,128
Hybrid Mutual Funds	\$1,791	\$1,910	\$2,797	\$2,068	(\$4,045)	(\$4,234)	(\$412)	(\$125)
Taxable Bond Funds	\$27,831	\$23,573	\$25,103	\$23,434	\$16,433	\$12,616	\$12,662	\$141,652
Municipal Bond Funds	\$7,309	\$5,379	\$6,535	\$5,093	\$3,478	\$4,349	\$3,851	\$35,994
Money Market Funds	(\$47,141)	(\$116,419)	(\$25,552)	(\$23,234)	(\$77,019)	(\$6,330)	\$59,473	(\$236,222)



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

Index	Jun-09 Level	May-09 Level	Apr-09 Level	Mar-09 Level	Feb-09 Level	Jan-09 Level	Dec-08 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	115.9	115.3	110.9	103.2	97.5	103.1	111.7	3.81%
Altman-NYU Defaulted Public Bonds Index	100.5	97.5	82.4	75.9	74.2	80.1	75.9	32.43%
Combined Bank Loan-Public Bond Index	121.6	119.7	109.8	101.8	97.4	103.7	105.9	14.80%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	159.3	159.3	174.0	3.16%
Citigroup High Yield Index	202.6	202.2	191.5	174.7	160.7	179.8	170.6	28.60%

Distressed News

Story Description	Size (\$mil)	Date	*Source
SandRidge Seeking To Buy Crusader Out Of Bankruptcy For \$230 Million	325.8	9/24/2009	DBR
CIT Bonds Up Ahead Of October 1 Restructuring Plan Deadline	64,940.3	9/24/2009	DBR
Penn National In Talks To Acquire Fontainebleau Las Vegas	1,000.0	9/21/2009	DBR
Avaya Obtains Court Approval To Buy Nortel Unit For \$900M	12,645.0	9/17/2009	DBR
Harrah's Gets Court Approval To Buy Magna's Thistedown Track	891.0	9/16/2009	DBR
Vedanta Makes New Asarco Bid, Raising Its Offer To \$2.56 Billion	1,000.0	9/14/2009	DBR

*Source: Daily Bankruptcy Review ("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 - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
SkyTerra Communications, Inc.	9/23/2009	Harbinger Capital Partners	1,523.7	Wireless Telecommunication
Crusader Energy Group Inc.	9/22/2009	SandRidge Energy, Inc.	467.8	Oil and Gas Exploration / Production
EPOD Solar, Inc.	9/21/2009	DayStar Technologies Inc.	300.0	Electrical Components / Equipment
Perot Systems Corp.	9/20/2009	Dell Inc.	4,101.3	IT Consulting and Other Services
Pilgrim's Pride Corporation	9/16/2009	JBS USA Holdings, Inc.	2,869.0	Packaged Foods and Meats
Omniture Inc.	9/15/2009	Adobe Systems Inc.	5,760.9	Internet Software and Services
Parallel Petroleum Corp.	9/15/2009	Apollo Management, L.P.	502.4	Oil and Gas Exploration / Production

High Yield Credit Rating Upgrades for Last 2 Weeks - Source: Bloomberg

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Momentive Performance Materials Inc	9/24/2009	LT Local Issuer Credit	S&P	CCC- **	CCC-	Chemicals-Specialty
Wamer Chilcott Corp	9/24/2009	LT Local Issuer Credit	S&P	BB	BB-	Medical-Drugs
Alon Refining Krotz Springs Inc	9/23/2009	LT Local Issuer Credit	S&P	B+	B **	Oil Refining&Marketing
DS Waters of America Inc	9/23/2009	LT Local Issuer Credit	S&P	B	B-	Food-Misc/Diversified
Education Management LLC	9/23/2009	LT Local Issuer Credit	S&P	B **	B	Schools
Mylan Inc/PA	9/23/2009	LT Local Issuer Credit	S&P	BB	BB-	Medical-Generic Drugs
ARINC Inc	9/21/2009	LT Local Issuer Credit	S&P	B	SD	Telecommunication Equip
Carter's Inc	9/21/2009	LT Local Issuer Credit	S&P	BB+	BB	Apparel Manufacturers
Fortune Brands Inc	9/21/2009	LT Local Issuer Credit	S&P	BBB-	BBB- **	Consumer Products-Misc
Talecris Biotherapeutics Inc	9/21/2009	LT Local Issuer Credit	S&P	B+ **	B+	Medical-Drugs
Ames True Temper	9/18/2009	LT Local Issuer Credit	S&P	B-	CCC+	Garden Products
Flowserve Corp	9/18/2009	LT Local Issuer Credit	S&P	BB+	BB	Machinery-Pumps
Palm Inc	9/18/2009	LT Local Issuer Credit	S&P	CCC **	CCC	Computers
GATX Corp	9/17/2009	LT Local Issuer Credit	S&P	BBB+	BBB+ **	Transport-Equip&Leasng
Pierre Foods Inc	9/17/2009	LT Local Issuer Credit	S&P	B	NR	Food-Meat Products
Blockbuster Inc	9/16/2009	LT Local Issuer Credit	S&P	B-	CCC	Retail-Video Rental
JBS USA Inc	9/16/2009	LT Local Issuer Credit	S&P	B+ **	B+	Food-Meat Products
QVC Inc	9/16/2009	LT Local Issuer Credit	S&P	BB+ **	NR	Retail-Mail Order
Sonic Automotive Inc	9/16/2009	LT Local Issuer Credit	S&P	CCC+ **	CCC+	Retail-Automobile
Spectrum Brands Inc/Old	9/16/2009	LT Local Issuer Credit	S&P	B-	NR	Consumer Products-Misc
Whiting Petroleum Corp	9/16/2009	LT Local Issuer Credit	S&P	BB	BB-	Oil Comp-Explor&Prodn
Continental Resources Inc/OK	9/15/2009	LT Local Issuer Credit	S&P	BB	NR	Oil Comp-Explor&Prodn
Gregg Appliances Inc	9/15/2009	LT Local Issuer Credit	S&P	B+	B+ **	Consumer Products-Misc
hgregg Inc	9/15/2009	LT Local Issuer Credit	S&P	B+	B+ **	Retail-Appliances
AmerCable Inc/AR	9/14/2009	LT Local Issuer Credit	S&P	B-	B- **	Wire&Cable Products
Emera Inc	9/14/2009	LT Local Issuer Credit	S&P	BBB+	BBB	Electric-Integrated
Nova Scotia Power Inc	9/14/2009	LT Local Issuer Credit	S&P	BBB+	BBB	Electric-Integrated
Select Medical Corp	9/14/2009	LT Local Issuer Credit	S&P	B- **	B-	Medical-Outpnt/Home Med

High Yield Credit Rating Downgrades for Last 2 Weeks - Source: Bloomberg

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Affirmative Insurance Holdings Inc	9/25/2009	LT Local Issuer Credit	S&P	CCC+	B-	Property/Casualty Ins
Coinmach Corp	9/25/2009	LT Local Issuer Credit	S&P	CCC+	B-	Commercial Services
Insura Property & Casualty Insurance Co Inc	9/25/2009	LT Local Issuer Credit	S&P	BB-	BB	Property/Casualty Ins
Kingsway Financial Services Inc	9/25/2009	LT Local Issuer Credit	S&P	CCC+u	B-u	Property/Casualty Ins
Alion Science and Technology Corp	9/24/2009	LT Local Issuer Credit	S&P	B- **	B-	Research&Development
BE Aerospace Inc	9/23/2009	LT Local Issuer Credit	S&P	BB+	BBB- **	Aerospace/Defense-Equip
Quality Home Brands Holdings LLC	9/23/2009	LT Local Issuer Credit	S&P	CC	CCC	Bldg Prod-Light Fixtures
United Site Services Inc	9/22/2009	LT Local Issuer Credit	S&P	CC	CCC+	Public Thoroughfares
Citadel Broadcasting Corp	9/18/2009	LT Local Issuer Credit	S&P	CCC-u	CCCu	Radio
Wastequip Inc	9/17/2009	LT Local Issuer Credit	S&P	CCC+ **	CCC+	Metal Processors&Fabrica
Barzel Industries Inc	9/16/2009	LT Local Issuer Credit	S&P	D	SD	Steel-Producers
Dune Energy Inc	9/16/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Oil Comp-Explor&Prodn
CapitalSource Inc	9/15/2009	LT Local Issuer Credit	S&P	B+	BB	Commer Banks-Eastern US
Penhall International Corp	9/15/2009	LT Local Issuer Credit	S&P	CCC+	B-	Machinery-Constr&Mining
West Fraser Mills Ltd	9/15/2009	LT Local Issuer Credit	S&P	BB	BB+	Forestry
Avaya Inc	9/14/2009	LT Local Issuer Credit	S&P	B **	B	Telecommunication Equip
Stallion Oilfield Services Ltd	9/14/2009	LT Local Issuer Credit	S&P	D	CCC	Oil-Field Services

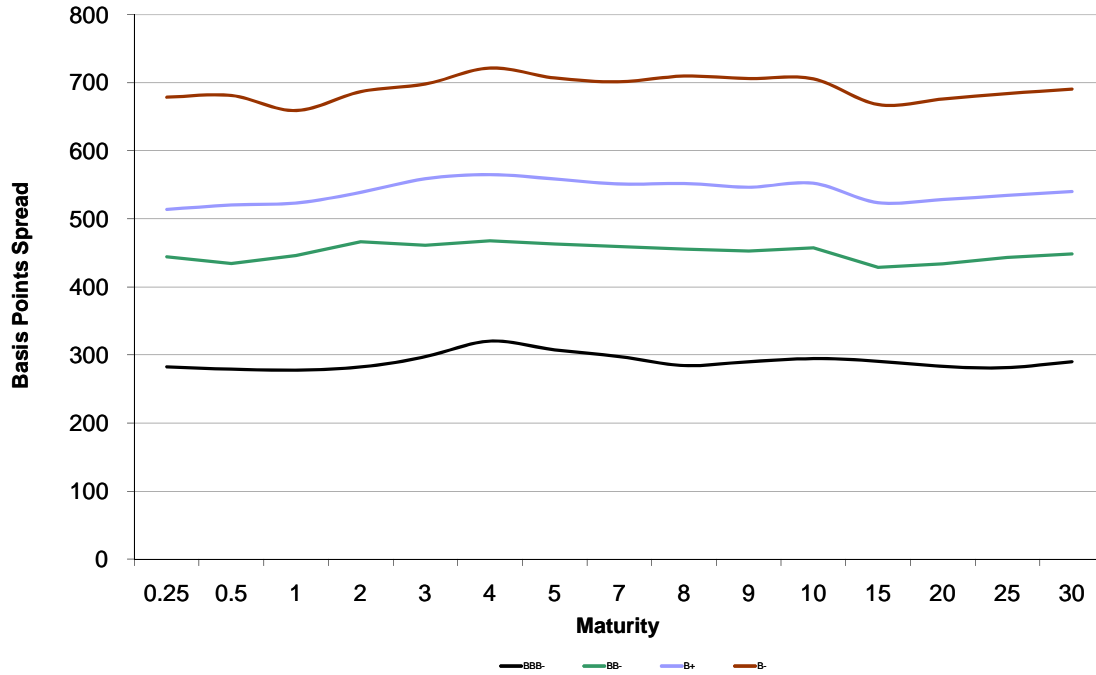


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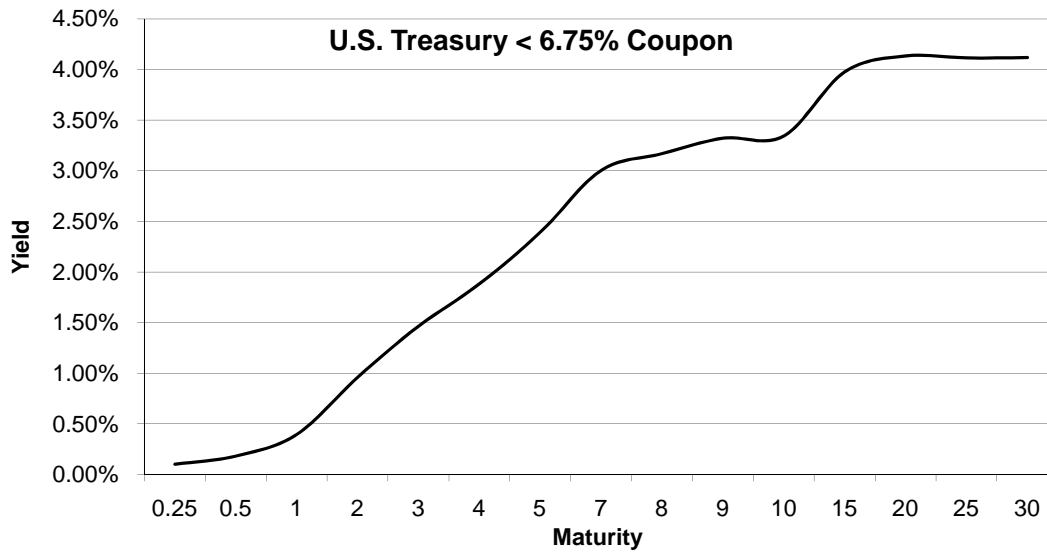
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Bond Spread To US Treasury Data - Source: Bloomberg



Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
BBB-	(16)	(92)	(226)	3
BB-	(33)	(113)	(448)	(148)
B+	(55)	(162)	(525)	(58)
B-	(51)	(223)	(585)	58





HIGH YIELD & DISTRESSED MARKET REVIEW

**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.

ADDISON
a subsidiary of Fedders Corporation, has been acquired by Roberts-Gordon LLC, a portfolio company of Eastport Operating Partners

Financial advisor to Fedders Corporation

> RESTRUCTURING / SECTION 363 ASSET SALE

BHM Technologies

has completed a Chapter 11 reorganization \$375 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

DURA
Automotive Systems

has completed a Chapter 11 reorganization \$1.5 billion

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

GLOBAL POWER
EQUIPMENT GROUP

has completed a Chapter 11 reorganization \$256 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

KEY PLASTICS L.L.C.
A Key Automotive Group Affiliate

has completed a Chapter 11 reorganization \$307 million

Financial advisor to Key Plastics, LLC

> RESTRUCTURING

PALCO
and its subsidiary Scotia Pacific Company LLC

has completed a Chapter 11 reorganization \$950 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Pierre
Pierre Foods

has completed a Chapter 11 reorganization \$380 million

Financial advisor to the plan sponsor

> RESTRUCTURING

WESTWOOD ONE

has completed an Out-of-Court restructuring \$250 million

Financial advisor to the preferred shareholders

> RESTRUCTURING