



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 19

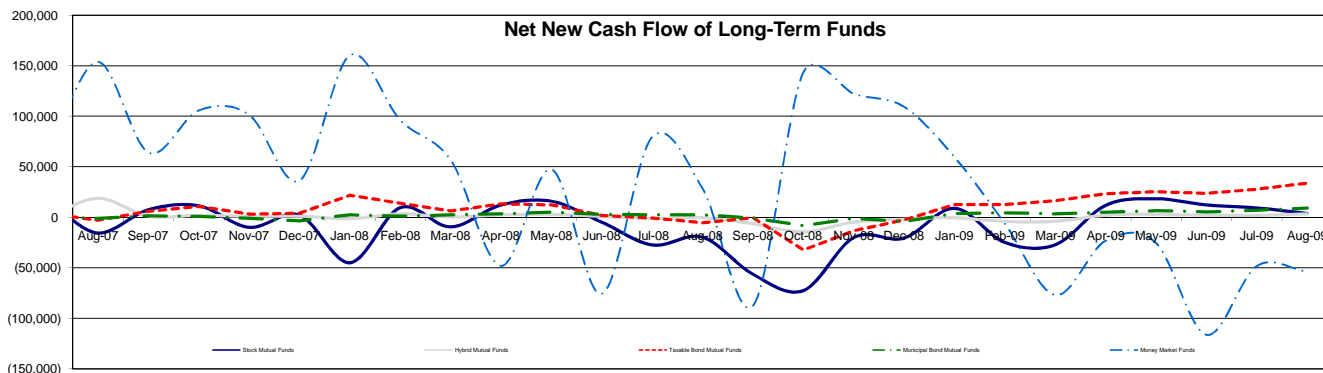
Week ending October 9, 2009

Key Market Indicators - Source: Bloomberg

	October 9, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	9,786.87	9,864.94	9,864.94	9,487.67	199.75	2.07%	830.25	8.97%
Nasdaq	2,123.93	2,139.28	2,139.28	2,048.11	48.36	2.31%	507.07	31.07%
S&P 500	1,065.48	1,071.49	1,071.49	1,025.21	27.11	2.60%	139.69	14.99%
Russell 2000	607.75	614.92	614.92	580.20	15.98	2.67%	109.08	21.56%
OEX Volatility Index	24.18	23.12	28.68	23.12	(2.49)	(9.72%)	(16.07)	(41.01%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.25%	0.28%	0.60%	1.22%				

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

	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	YTD
Stock Mutual Funds	\$3,861	\$9,215	\$12,191	\$18,380	\$11,896	(\$27,148)	(\$24,881)	\$12,436
Hybrid Mutual Funds	\$3,206	\$1,794	\$1,910	\$2,797	\$2,068	(\$4,045)	(\$4,234)	\$3,084
Taxable Bond Funds	\$33,843	\$27,905	\$23,573	\$25,103	\$23,434	\$16,433	\$12,616	\$175,569
Municipal Bond Funds	\$9,069	\$6,796	\$5,379	\$6,535	\$5,093	\$3,478	\$4,349	\$44,550
Money Market Funds	(\$53,788)	(\$48,325)	(\$116,419)	(\$25,552)	(\$23,234)	(\$77,019)	(\$6,330)	(\$291,194)



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
Golf Shaft Maker True Temper Files For Chapter 11 Protection	319.0	10/9/2009	DBR
Accuride Inks Deal With Lenders, Files For Chapter 11 Bankruptcy	847.0	10/9/2009	DBR
Questex Media Enters Chapter 11, Plans To Sell Itself To Its Lenders	100.0	10/7/2009	DBR
CIT Group Exchange Offer Pits Creditors Against Each Other	64,940.3	10/5/2009	DBR
Edge Petroleum Enters Chapter 11 With Plans To Auction Off Assets	252.5	10/2/2009	DBR
FairPoint Communications Skips Payments On Its Loans, Bonds	3,234.4	10/2/2009	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
Busch Entertainment Corporation	10/7/2009	The Blackstone Group	2,700.0	Leisure Facilities
Avocent Corporation	10/5/2009	Emerson Electric Co.	1,315.9	Communications Equipment
United Malt Holdings, LP	10/5/2009	GrainCorp. Ltd.	662.6	Agricultural Products
Columbia Management Group, LLC	9/30/2009	Ameriprise Financial Inc.	1,200.0	Asset Management / Custody Banks
Terra Industries Inc.	9/28/2009	CF Industries Holdings, Inc.	4,071.6	Fertilizers / Agricultural Chemicals
Affiliated Computer Services, Inc.	9/27/2009	Xerox Corp.	10,061.2	Data Processing / Outsourcing
GenTek Inc.	9/28/2009	American Securities	621.5	Specialty Chemicals

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Revlon Consumer Products Corp	10/9/2009	LT Local Issuer Credit	S&P	B- *+	B-	Cosmetics&Toiletries
Coinmach Service Corp	10/9/2009	LT Local Issuer Credit	S&P	CCC *	SD	Commercial Services
CEMEX Inc	10/8/2009	LT Local Issuer Credit	S&P	B	B- *+	Bldg Prod-Cement/Aggreg
AGA Medical Corp	10/8/2009	LT Local Issuer Credit	S&P	B+ *+	B+	Medical Products
Penske Auto Group Inc	10/7/2009	LT Local Issuer Credit	S&P	B+	B+ *	Retail-Automobile
Nova Chemicals Corp	10/7/2009	LT Local Issuer Credit	S&P	B- *+	B-	Chemicals-Diversified
EXCO Resources Inc	10/7/2009	LT Local Issuer Credit	S&P	BB-	B+	Oil Comp-Explor&Prodn
Angiotech Pharmaceuticals Inc	10/7/2009	LT Local Issuer Credit	S&P	CCC	CC *+	Medical Products
American Merchants Casualty	10/6/2009	LT Local Issuer Credit	S&P	A	NR	N.A.
Vought Aircraft Industries Inc	10/5/2009	LT Local Issuer Credit	S&P	B	B- *+	Aerospace/Defense
Solutia Inc	10/5/2009	LT Local Issuer Credit	S&P	B+	B	Chemicals-Diversified
NewPage Corp	10/5/2009	LT Local Issuer Credit	S&P	CCC+	SD	Paper&Related Products
Hovnanian Enterprises Inc	10/5/2009	LT Local Issuer Credit	S&P	CCC+	CCC	Bldg-Residential/Commer
Niska Gas Storage Canada ULC	10/2/2009	LT Local Issuer Credit	S&P	BB	BB-	Storage/Warehousing
KRATON Polymers LLC	10/2/2009	LT Local Issuer Credit	S&P	B- *+	B-	Chemicals-Specialty
Gate Gourmet Borrower LLC	10/2/2009	LT Local Issuer Credit	S&P	B	B *	Food-Catering
Appleton Papers Inc	10/2/2009	LT Local Issuer Credit	S&P	B	SD	Paper&Related Products
Merrill Corp	10/1/2009	LT Local Issuer Credit	S&P	CCC	SD	Data Processing/Mgmt
Deluxe Entertainment Services Group Inc	10/1/2009	LT Local Issuer Credit	S&P	B- *+	B-	Retail-Misc/Diversified
Brookstone Inc	10/1/2009	LT Local Issuer Credit	S&P	CCCu	NR	Retail-Mail Order
Realogy Corp	9/30/2009	LT Local Issuer Credit	S&P	CC	SD	Real Estate Mgmt/Service
Kroger Co/The	9/30/2009	LT Local Issuer Credit	S&P	BBB	BBB- *+	Food-Retail
GrafTech International Ltd	9/30/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Electric Products-Misc
Booz Allen Hamilton Inc	9/30/2009	LT Local Issuer Credit	S&P	BB-	B+	Consulting Services
Golden Nugget Inc	9/29/2009	LT Local Issuer Credit	S&P	CC	SD	Casino Hotels
Celestica Inc	9/29/2009	LT Local Issuer Credit	S&P	BB-	B+	Electronic Compo-Misc
Affiliated Computer Services Inc	9/28/2009	LT Local Issuer Credit	S&P	BB *+	BB	Computer Services

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Learning Care Group Inc	10/9/2009	LT Local Issuer Credit	S&P	CCC+	B-	Schools-Day Care
Ciena Corp	10/7/2009	LT Local Issuer Credit	S&P	B+ *	B+	Telecom Eq Fiber Optics
Local Insight Regatta Holdings Inc	10/7/2009	LT Local Issuer Credit	S&P	CCC+	B *	Publishing-Books
First Midwest Bancorp Inc/IL	10/5/2009	LT Local Issuer Credit	S&P	BBB-	BBB	Commer Banks-Central US
Texas Competitive Electric Holdings Co LLC	10/5/2009	LT Local Issuer Credit	S&P	CC	B-	Electric-Integrated
Cintas Corp	10/2/2009	LT Local Issuer Credit	S&P	A-	A *	Linen Supply&Rel Items
Advanstar Inc	10/2/2009	LT Local Issuer Credit	S&P	SD	CCC	Advertising Services
Guardian Industries Corp	10/1/2009	LT Local Issuer Credit	S&P	A	A+	Bldg Prod-Doors&Windows
Arch Coal Inc	10/1/2009	LT Local Issuer Credit	S&P	BB-	BB *	Coal
Fairpoint Communications Inc	10/1/2009	LT Local Issuer Credit	S&P	D	CC	Telecom Services
Appleton Papers Inc	10/1/2009	LT Local Issuer Credit	S&P	SD	CC	Paper&Related Products
Regency Centers Corp	9/30/2009	LT Local Issuer Credit	S&P	BBB	BBB+	REITS-Shopping Centers
Merrill Corp	9/30/2009	LT Local Issuer Credit	S&P	SD	CCC	Data Processing/Mgmt
NewPage Corp	9/30/2009	LT Local Issuer Credit	S&P	SD	CC	Paper&Related Products
Realogy Corp	9/29/2009	LT Local Issuer Credit	S&P	SD	CC	Real Estate Mgmt/Service
Holdings Gaming Borrower LP	9/28/2009	LT Local Issuer Credit	S&P	B	B	Diversified Operations
MBIA Insurance Corp	9/28/2009	LT Local Issuer Credit	S&P	BB+	BBB	Financial Guarantee Ins
Xerox Corp	9/28/2009	LT Local Issuer Credit	S&P	BBB *	BBB	Office Automation&Equip
Golden Nugget Inc	9/28/2009	LT Local Issuer Credit	S&P	SD	CC	Casino Hotels

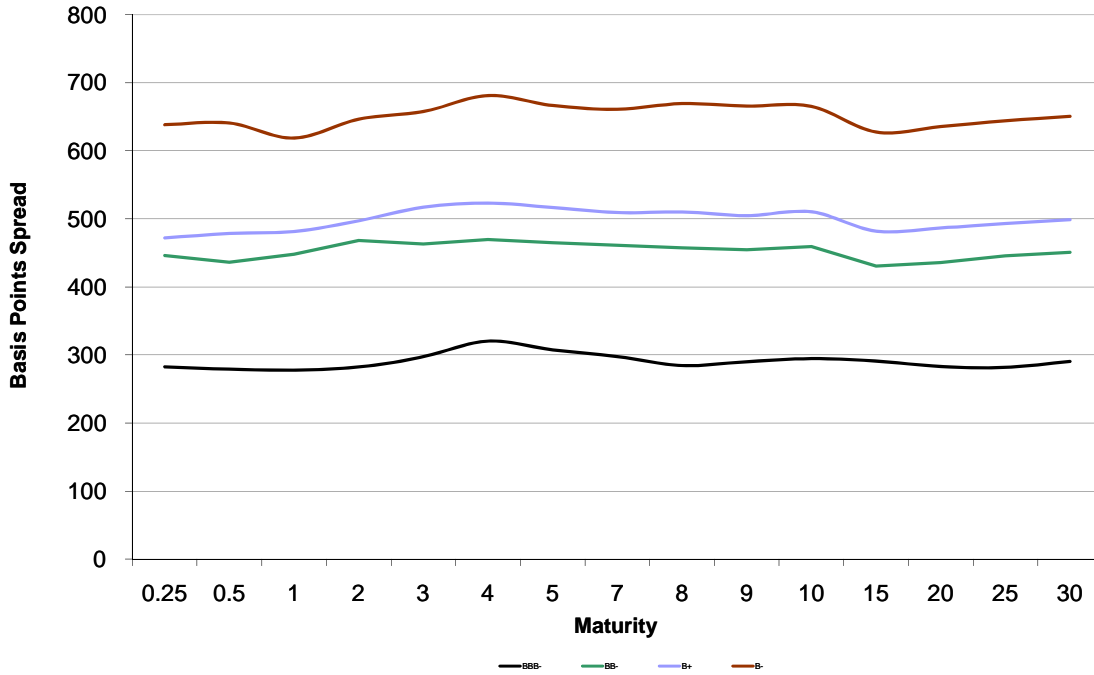


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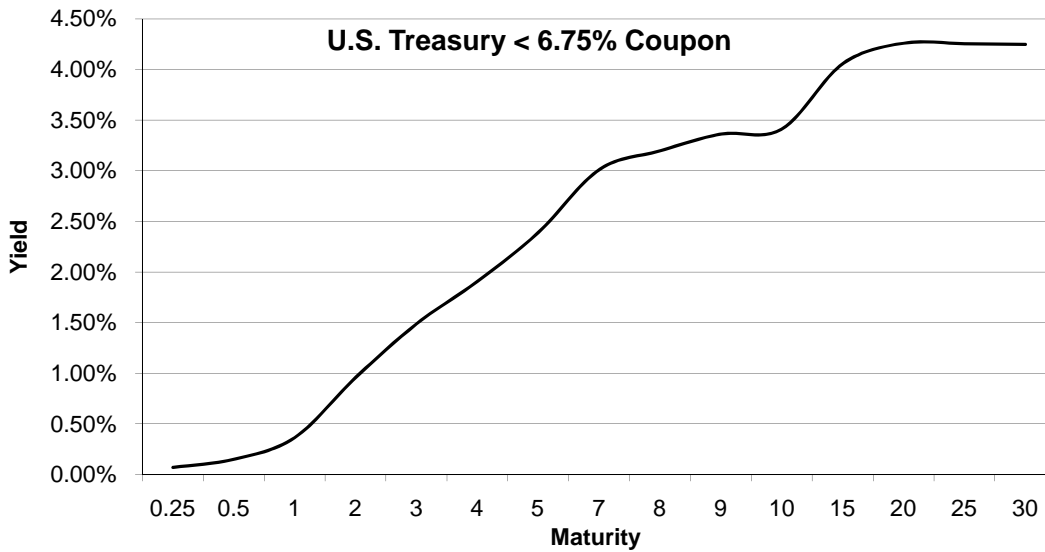
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	0	(75)	(212)	(50)
BB-	2	(116)	(361)	(175)
B+	(42)	(234)	(462)	(192)
B-	(40)	(202)	(541)	(247)





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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.

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