



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 20

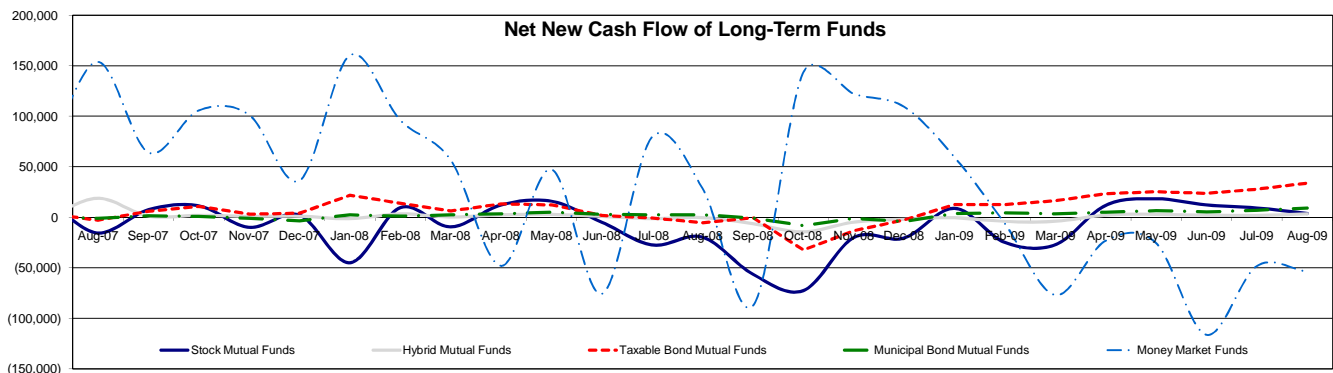
Week ending October 23, 2009

Key Market Indicators - Source: Bloomberg

	October 23, 2009		2 Week		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %
DJIA	10,081.31	9,972.18	10,092.19	9,871.06	107.24	1.09%	937.49	11.00%		
Nasdaq	2,165.29	2,154.47	2,176.32	2,139.14	15.19	0.71%	522.26	32.00%		
S&P 500	1,092.91	1,079.60	1,097.91	1,073.19	8.11	0.76%	147.80	15.86%		
Russell 2000	613.38	600.86	623.94	600.86	(14.06)	(2.29%)	95.02	18.78%		
OEX Volatility Index	20.69	22.27	23.01	20.69	(0.85)	(3.68%)	(16.92)	(43.17%)		
Prime Rate	3.25%									
LIBOR	1 month		3 months		6 months		1 Year			
	0.24%		0.28%		0.58%		1.24%			

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	Sep-09 Level	Aug-09 Level	Jul-09 Level	Jun-09 Level	May-09 Level	Apr-09 Level	Mar-09 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	135.4	127.2	121.8	115.9	115.3	110.9	103.2	21.20%
Altman-NYU Defaulted Public Bonds Index	127.2	117.2	108.0	100.5	97.5	82.4	75.9	67.56%
Combined Bank Loan-Public Bond Index	147.1	136.9	128.9	121.6	119.7	109.8	101.8	38.84%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	159.3	159.3	159.3	19.26%
Citigroup High Yield Index	234.2	225.8	217.9	202.6	202.2	191.5	174.7	46.24%

Distressed News

Story Description	Size (\$mil)	Date	*Source
Capmark Financial Files For Chapter 11 Bankruptcy Protection	21,224.5	10/25/2009	DBR
Nortek Parent Files For Chapter 11 Bankruptcy Protection	2,778.1	10/23/2009	DBR
Erickson Retirement Inks Sale Agreement, Files For Chapter 11	3,000.0	10/21/2009	DBR
Stallion Oilfield Inks Restructuring Deal, Files For Chapter 11	500.0	10/20/2009	DBR
Sun Capital, Catterton Partners Complete Acquisition Of Lang	10.0	10/15/2009	DBR
ComVest Gets Approval To Buy Cynergy Assets For \$81 Million	186.2	10/13/2009	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
Morgan Stanley Inc., Retail Asset Management Business	10/19/2009	Invesco Ltd.	1,503.3	Retail Asset Management
MPS Group Inc.	10/19/2009	Adecco Inc.	1,285.4	HR / Employment Services
Wear Me Apparel Corporation	10/19/2009	LF USA Inc.	401.8	Apparel / Accessories / Luxury Goods
IPCS Inc.	10/18/2009	Sprint Nextel Corp.	887.1	Wireless Telecommunication
Breaker Energy Ltd.	10/13/2009	NAL Oil & Gas Trust	345.3	Oil / Gas Exploration and Production
Starent Networks, Corp.	10/12/2009	Cisco Systems, Inc.	2,828.2	Communications Equipment
Proteolix, Inc.	10/10/2009	Onyx Pharmaceuticals Inc.	850.8	Pharmaceuticals

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Dole Food Co Inc	10/23/2009	LT Local Issuer Credit	S&P	B- *+	B-	Food-Misc/Diversified
Dollarama Group LP	10/23/2009	LT Local Issuer Credit	S&P	BB-	B+	Retail-Discourt
Alion Science and Technology Corp	10/22/2009	LT Local Issuer Credit	S&P	B-	B- *	Research&Development
Dollar Thrifty Automotive Group Inc	10/22/2009	LT Local Issuer Credit	S&P	CCC *+	CCC	Rental Auto/Equipment
FMC Corp	10/22/2009	LT Local Issuer Credit	S&P	BBB+	BBB	Chemicals-Diversified
Harvest Energy Trust	10/22/2009	LT Local Issuer Credit	S&P	B- *+	B-	Oil Comp-Explor&Prodn
NCI Building Systems Inc	10/22/2009	LT Local Issuer Credit	S&P	B+	SD	Bldg&Construct Prod-Misc
Quality Distribution Inc	10/22/2009	LT Local Issuer Credit	S&P	B-	SD	Transport-Truck
AlixPartners LLP	10/21/2009	LT Local Issuer Credit	S&P	BB	BB- *+	Invest Mgmt/Advis Serv
Brigham Exploration Co	10/21/2009	LT Local Issuer Credit	S&P	B-	CCC+	Oil Comp-Explor&Prodn
Allen Systems Group Inc	10/20/2009	LT Local Issuer Credit	S&P	B	CCC+ *	Enterprise Software/Serv
Emdeon Business Services Inc	10/20/2009	LT Local Issuer Credit	S&P	BB-	B+	E-Commerce/Services
Rural/Metro Corp	10/20/2009	LT Local Issuer Credit	S&P	B *+	B	Protection-Safety
MDC Partners Inc	10/19/2009	LT Local Issuer Credit	S&P	BB-	NR	Advertising Agencies
UAL Corp	10/19/2009	LT Local Issuer Credit	S&P	B-	B- *	Airlines
IPCS Inc	10/19/2009	LT Local Issuer Credit	S&P	B *+	B	Cellular Telecom
Magna International Inc	10/16/2009	LT Local Issuer Credit	S&P	BBB	BBB *	Auto/Trk Prts&Equip-Orig
NVR Inc	10/16/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Bldg-Residential/Commer
Chrysler Financial Services Americas LLC	10/14/2009	LT Local Issuer Credit	S&P	CCC-	CCC- *	Finance-Commercial
Expedia Inc	10/14/2009	LT Local Issuer Credit	S&P	BBB-	BB *+	E-Commerce/Services
FelCor Lodging Trust Inc	10/14/2009	LT Local Issuer Credit	S&P	B-	B- *	REITS-Hotels
Georgia-Pacific LLC	10/14/2009	LT Local Issuer Credit	S&P	BB+	BB- *+	Paper&Related Products
Language Line Holdings LLC	10/14/2009	LT Local Issuer Credit	S&P	B+	B	Consulting Services
Headwaters Inc	10/13/2009	LT Local Issuer Credit	S&P	B	CCC+ *	Energy-Alternate Sources
PSS World Medical Inc	10/13/2009	LT Local Issuer Credit	S&P	BB *+	BB	Medical Products
Sinclair Broadcast Group Inc	10/13/2009	LT Local Issuer Credit	S&P	B- *	B- *	Television
Talecris Biotherapeutics Inc	10/13/2009	LT Local Issuer Credit	S&P	BB	B+ *+	Medical-Drugs
Advanstar Inc	10/12/2009	LT Local Issuer Credit	S&P	CCC+	SD	Advertising Services
Avis Budget Car Rental LLC	10/12/2009	LT Local Issuer Credit	S&P	B-	CCC+	Rental Auto/Equipment

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Bunge Ltd	10/23/2009	LT Local Issuer Credit	S&P	BBB- *	BBB-	Agricultural Operations
Electrical Components International Inc	10/23/2009	LT Local Issuer Credit	S&P	CCC-	CCC+ *	Electric Products-Misc
GenTek Inc	10/23/2009	LT Local Issuer Credit	S&P	B	B+	Diversified Manufact Op
NTK Holdings Inc	10/23/2009	LT Local Issuer Credit	S&P	D	CC	Bldg&Construct Prod-Misc
NCI Building Systems Inc	10/20/2009	LT Local Issuer Credit	S&P	SD	CC	Bldg&Construct Prod-Misc
Mortgage Guaranty Insurance Corp	10/19/2009	LT Local Issuer Credit	S&P	B+ *	BB *	Financial Guarantee Ins
Enemalta Corp	10/16/2009	LT Local Issuer Credit	S&P	BB+	BBB+ *	N.A.
Pfizer Inc	10/16/2009	LT Local Issuer Credit	S&P	AA	AAA *	Medical-Drugs
Champion Home Builders Co	10/15/2009	LT Local Issuer Credit	S&P	D	CC	Bldg-Mobil Home/Mfd Hous
Quality Distribution Inc	10/15/2009	LT Local Issuer Credit	S&P	SD	CC *	Transport-Truck
Southwest Airlines Co	10/14/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Airlines
Hunter Fan Co	10/12/2009	LT Local Issuer Credit	S&P	B-	B *	Home Furnishings

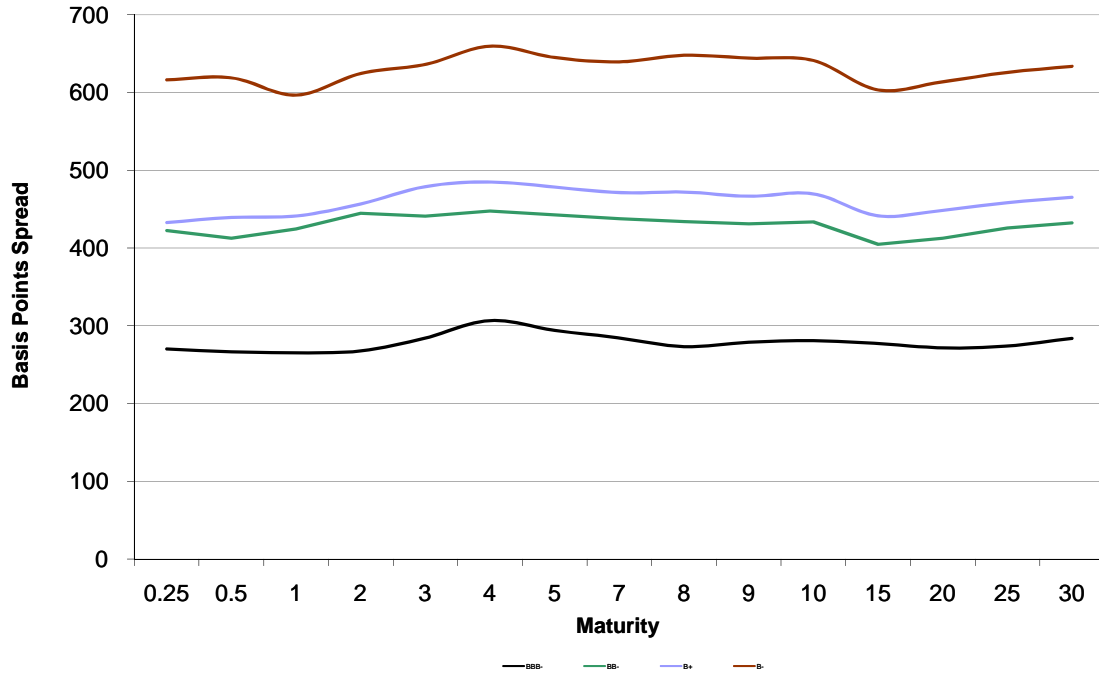


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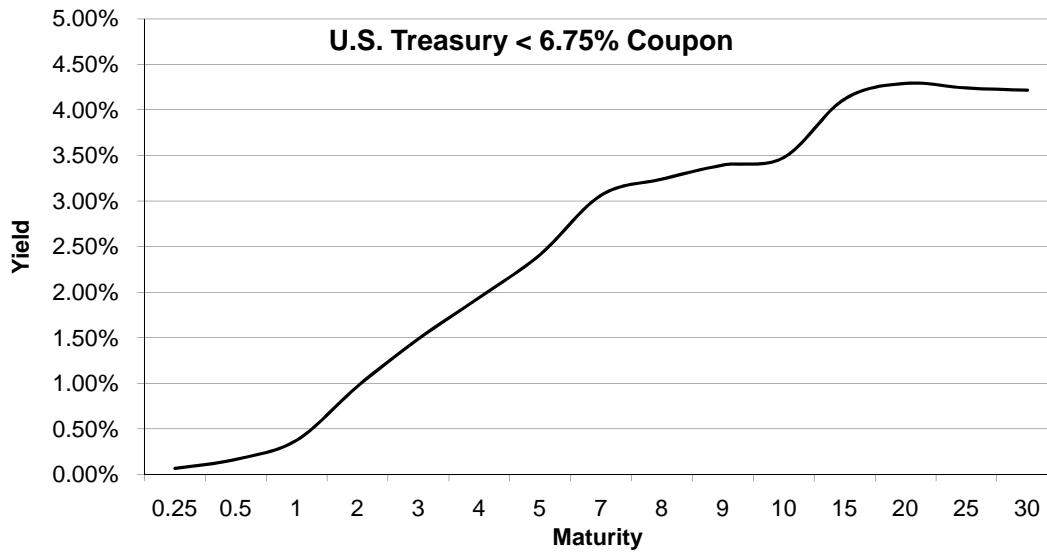
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(13)	(86)	(202)	(115)
BB-	(23)	(128)	(324)	(341)
B+	(38)	(274)	(457)	(372)
B-	(22)	(189)	(509)	(508)





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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