



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 21

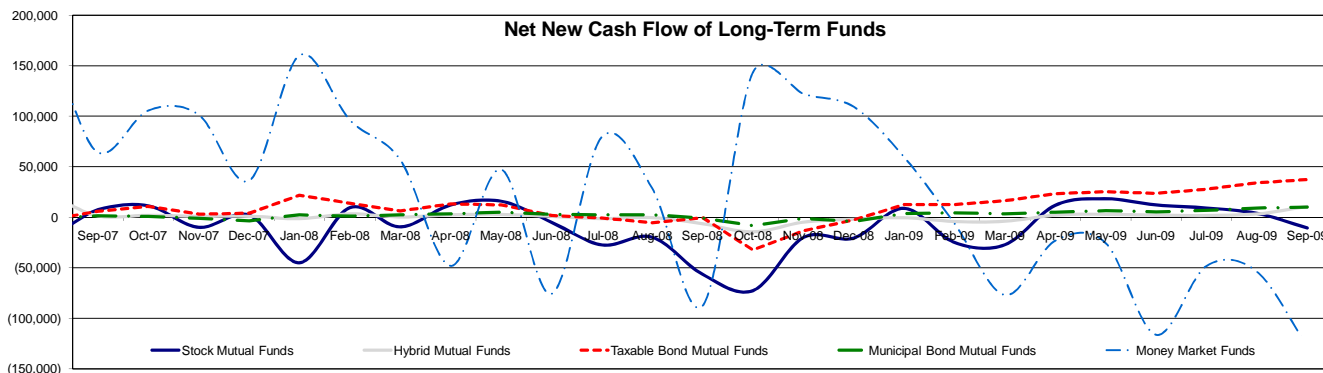
Week ending November 6, 2009

Key Market Indicators - Source: Bloomberg

	November 6, 2009		2 Week		2 Week Change	2 Week Change %	YTD Change	YTD Change %
	Open	Close	High	Low				
DJIA	10,005.96	10,023.42	10,023.42	9,712.73	51.24	0.51%	988.73	10.82%
Nasdaq	2,105.32	2,112.44	2,141.85	2,045.11	(42.03)	(1.95%)	480.23	29.42%
S&P 500	1,066.63	1,069.30	1,069.30	1,036.19	(10.30)	(0.95%)	137.50	14.76%
Russell 2000	581.15	580.35	593.66	562.40	(20.51)	(3.41%)	74.51	14.73%
OEX Volatility Index	25.43	24.19	30.69	24.19	1.92	8.62%	(15.00)	(38.28%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.24%	0.27%	0.55%	1.16%				

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

	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	YTD
Stock Mutual Funds	(\$10,533)	\$3,998	\$9,215	\$12,191	\$18,380	\$11,896	(\$27,148)	\$2,040
Hybrid Mutual Funds	\$10,596	\$3,139	\$1,794	\$1,910	\$2,797	\$2,068	(\$4,045)	\$13,613
Taxable Bond Funds	\$37,333	\$33,988	\$27,905	\$23,573	\$25,103	\$23,434	\$16,433	\$213,047
Municipal Bond Funds	\$10,120	\$9,044	\$6,796	\$5,379	\$6,535	\$5,093	\$3,478	\$54,645
Money Market Funds	(\$127,514)	(\$53,816)	(\$48,325)	(\$116,419)	(\$25,552)	(\$23,234)	(\$77,019)	(\$418,736)



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
Panoram Holdings Enters Chapter 11 After Reaching Creditor Agreement	447.5	11/5/2009	DBR
CIT Group Seeks To Move Quickly Through Chapter 11 Proceedings	64,901.2	11/3/2009	DBR
E*Trade 3Q Loss Widens, But Credit Trends Seen Improving	44,841.1	11/2/2009	DBR
Express Energy Enters Chapter 11 To Sell The Company To Lenders	100.0	10/30/2009	DBR
Dayton Superior Exits Chapter 11 With Oaktree As Shareholder	379.6	10/28/2009	DBR
Questex Media Group Auction Set For Nov. 20, Despite Protests	100.0	10/28/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

SELECTED SENIOR PROFESSIONALS

Russ Belinsky
Senior Managing Director
rbelinsky@chanin.com
T 310.445.4010

Brent Williams
Managing Director
bwilliams@chanin.com
T 212.758.2629

Andrew Chidester
Managing Director
andrew.chidester@duffandphelps.com
T 312.697.4600

Fabrice Keller
Managing Director
fabrice.keller@duffandphelps.com
T 33 (0)1.4006.4050

Skip Victor
Senior Managing Director
svictor@chanin.com
T 310.445.4010

Robert Nabholz
Managing Director
rnabholz@chanin.com
T 212.450.2850

Robert Bartell
Managing Director
bob.bartell@duffandphelps.com
T 44 (0)207.715.6762

Masafumi Takeno
Managing Director
masafumi.takeno@duffandphelps.com
T 81 (0)3.3593.0101

Brian Cullen
Managing Director
bcullen@chanin.com
T 310.445.4010

Steve Burt
Managing Director
steve.burt@duffandphelps.com
T 312.697.4600

Paul Teuten
Managing Director
paul.teuten@duffandphelps.com
T 44 (0)207.715.6770

Atsuo Watanabe
Managing Director
atsuo.watanabe@duffandphelps.com
T 81 (0)3.3593.0150

www.chanin.com

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
IMS Health Inc.	11/5/2009	TPG; CPP Investment Board	5,360.1	Health Care Technology
I2 Technologies, Inc.	11/4/2009	JDA Software Group Inc.	623.1	Application Software
Burlington Northern Santa Fe Corp.	11/2/2009	Berkshire Hathaway Inc.	36,861.0	Railroads
The Black & Decker Corporation	11/2/2009	Stanley Works	5,232.0	Household Appliances
NuVox, Inc.	11/2/2009	Windstream Corporation	640.3	Telecommunication Services
Encore Acquisition Co.	11/1/2009	Denbury Resources Inc.	3,988.1	Oil and Gas Exploration / Production
Allied Capital Corporation	10/26/2009	Ares Capital Corporation	2,433.7	Asset Management / Custody Banks

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Specialized Technology Resources Inc	11/6/2009	LT Local Issuer Credit	S&P	B+	B	Research&Development
Sinclair Broadcast Group Inc	11/5/2009	LT Local Issuer Credit	S&P	B	B- *	Television
Smart Balance Inc	11/5/2009	LT Local Issuer Credit	S&P	B	B-	Food-Misc/Diversified
Trico Marine Services Inc/United States	11/5/2009	LT Local Issuer Credit	S&P	CCC+	CCC *	Oil-Field Services
Burlington Northern Santa Fe Corp	11/4/2009	LT Local Issuer Credit	S&P	BBB *+	BBB	Transport-Rail
Ford Motor Co	11/3/2009	LT Local Issuer Credit	S&P	B-	CCC+	Auto-Cars/Light Trucks
Baltimore Gas & Electric Co	11/2/2009	LT Local Issuer Credit	S&P	BBB+	BBB *	Electric-Integrated
Black & Decker Corp	11/2/2009	LT Local Issuer Credit	S&P	BBB *+	BBB	Tools-Hand Held
Encore Acquisition Co	11/2/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Oil Comp-Explor&Prodn
Revlon Consumer Products Corp	11/2/2009	LT Local Issuer Credit	S&P	B	B- *+	Cosmetics&Toiletries
Ashland Inc	10/30/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Chemicals-Specialty
Bally Technologies Inc	10/30/2009	LT Local Issuer Credit	S&P	BB+	BB	Casino Services
Dole Food Co Inc	10/30/2009	LT Local Issuer Credit	S&P	B	B- *+	Food-Misc/Diversified
Education Management LLC	10/30/2009	LT Local Issuer Credit	S&P	B+	B *+	Schools
Hercules Inc	10/30/2009	LT Local Issuer Credit	S&P	BB- *+	BB-	Chemicals-Specialty
Valassis Communications Inc	10/30/2009	LT Local Issuer Credit	S&P	B+	B	Printing-Commercial
William Lyon Homes	10/30/2009	LT Local Issuer Credit	S&P	CCC- *+	CCC-	Bldg-Residential/Commer
American Airlines Inc	10/29/2009	LT Local Issuer Credit	S&P	B-	B- *	Airlines
Cott Corp	10/29/2009	LT Local Issuer Credit	S&P	B	B-	Beverages-Non-alcoholic
Ferro Corp	10/29/2009	LT Local Issuer Credit	S&P	CCC+ *+	CCC+	Chemicals-Specialty
Palm Inc	10/28/2009	LT Local Issuer Credit	S&P	CCC+	CCC *+	Computers
Salton Inc	10/28/2009	LT Local Issuer Credit	S&P	B	NR	Appliances
Vitamin Shoppe Industries Inc	10/28/2009	LT Local Issuer Credit	S&P	B+	B *+	E-Commerce/Products
OPTI Canada Inc	10/27/2009	LT Local Issuer Credit	S&P	B-	B- *	Oil Comp-Explor&Prodn
Protection One Alarm Monitoring Inc	10/27/2009	LT Local Issuer Credit	S&P	B *+	B	Protection-Safety
NCL Corp Ltd	10/26/2009	LT Local Issuer Credit	S&P	B	NR	Cruise Lines
Universal City Development Partners Ltd	10/26/2009	LT Local Issuer Credit	S&P	B	NR	Special Purpose Entity

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Medical Protective Co	11/4/2009	LT Local Issuer Credit	S&P	AAA *-	AAA	N.A.
Windstream Corp	11/3/2009	LT Local Issuer Credit	S&P	BB+ *-	BB+	Telephone-Integrated
Constellation Energy Group Inc	11/2/2009	LT Local Issuer Credit	S&P	BBB-	BBB *	Electric-Integrated
Ethan Allen Interiors Inc	11/2/2009	LT Local Issuer Credit	S&P	B+	BB	Home Furnishings
Stanley Works/The	11/2/2009	LT Local Issuer Credit	S&P	A *-	A	Tools-Hand Held
YRC Worldwide Inc	11/2/2009	LT Local Issuer Credit	S&P	CC *-	CCC	Transport-Truck
Activant Solutions Inc	10/30/2009	LT Local Issuer Credit	S&P	B-	B	Computers-Integrated Sys
Arkansas Best Corp	10/30/2009	LT Local Issuer Credit	S&P	BB+	BBB+ *-	Transport-Truck
Corel Corp	10/30/2009	LT Local Issuer Credit	S&P	B- *-	B	Applications Software
Truvo Intermediate LLC	10/30/2009	LT Local Issuer Credit	S&P	CC	CCC+	Advertising Services
Deluxe Entertainment Services Group Inc	10/29/2009	LT Local Issuer Credit	S&P	B-	B- *+	Retail-Misc/Diversified
Builders FirstSource Inc	10/28/2009	LT Local Issuer Credit	S&P	CC	CCC+ *-	Bldg&Construct Prod-Misc
Universal City Florida Holding Co I/II	10/26/2009	LT Local Issuer Credit	S&P	B	B+	Special Purpose Entity

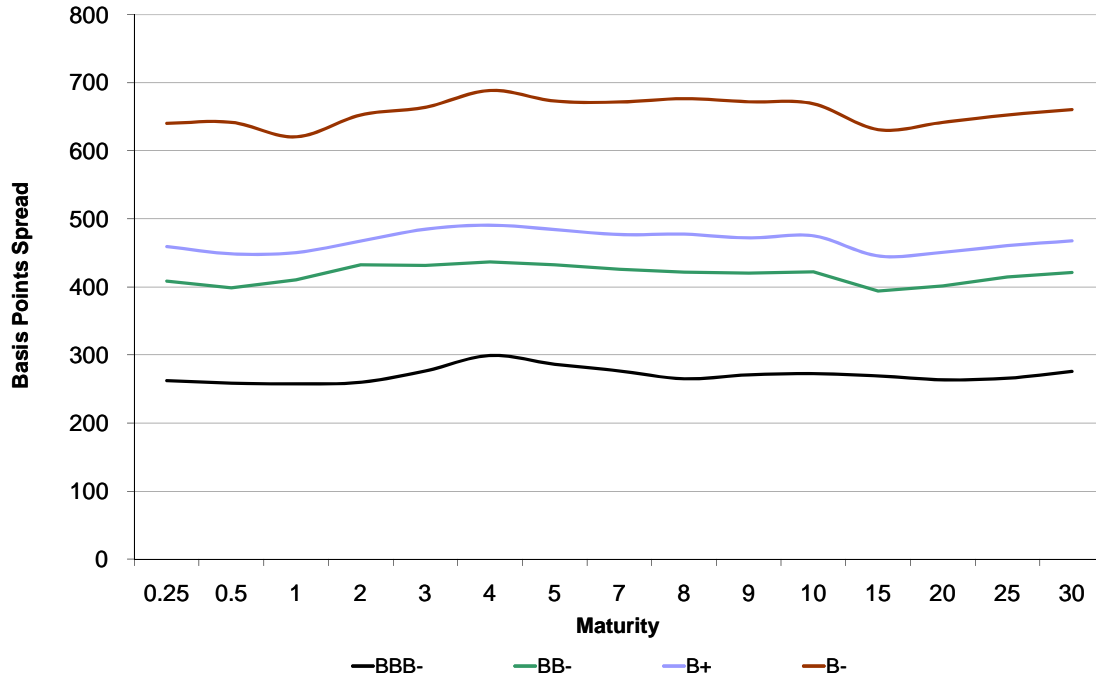


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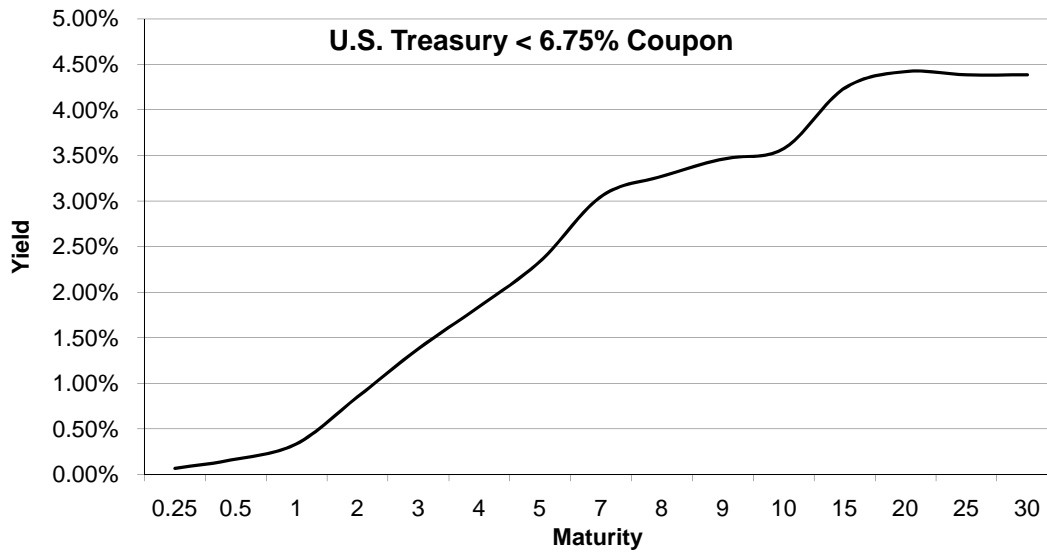
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(6)	(49)	(178)	(185)
BB-	0	(76)	(235)	(439)
B+	14	(174)	(360)	(480)
B-	47	(91)	(402)	(514)





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

DOCKERS
BY MOST
a subsidiary of **AnchorBlue**, has been acquired by **Levi Strauss & Co.**

Financial advisor to Anchor Blue Group, Inc.

> RESTRUCTURING / SECTION 363 ASSET SALE

DURA
Automotive Systems
has completed a **Chapter 11 reorganization** \$1.5 billion

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

lang
holdings
has been acquired by **LHI Enterprises, Inc.**, an entity controlled by **Sun Capital Partners, Inc.** and **Catterton Partners**

Financial advisor to Lang Holdings, Inc.

> RESTRUCTURING / SECTION 363 ASSET SALE

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