



**HIGH YIELD & DISTRESSED MARKET REVIEW**

Issue 11

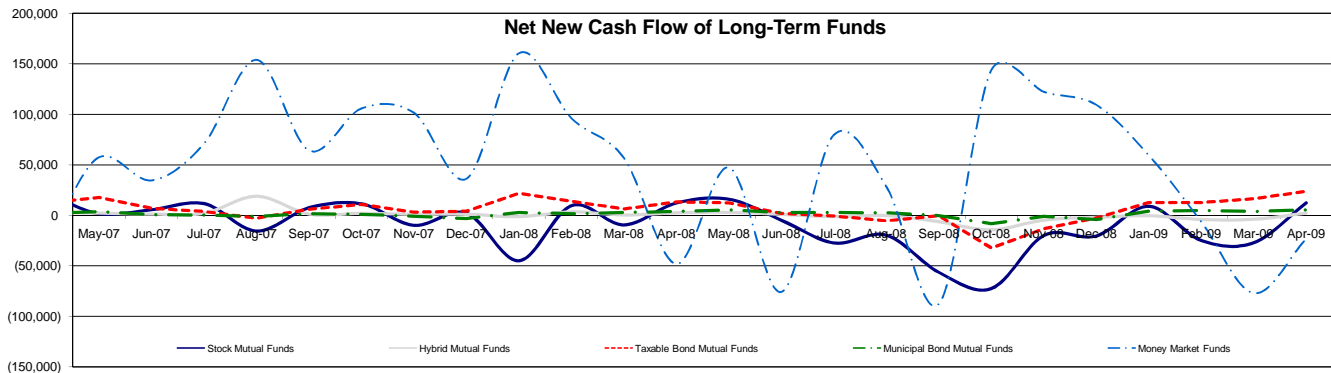
Week ending June 5, 2009

**Key Market Indicators - Source: Bloomberg**

	June 5, 2009		2 Week		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	Change	Change %
DJIA	8,750.24	8,763.13	8,763.13	8,300.02	485.81	5.87%	(271.56)	(2.19%)	(271.56)	(2.19%)
Nasdaq	1,850.02	1,849.42	1,850.02	1,731.08	157.41	9.30%	217.21	13.31%	217.21	13.31%
S&P 500	942.46	940.09	944.74	893.06	53.09	5.99%	8.29	0.89%	8.29	0.89%
Russell 2000	531.68	530.36	531.68	489.86	52.74	11.04%	24.52	4.85%	24.52	4.85%
OEX Volatility Index	30.18	29.62	32.36	28.92	(3.01)	(9.22%)	(9.57)	(24.42%)	(9.57)	(24.42%)
Prime Rate	3.25%									
LIBOR	1 month		3 months		6 months		1 Year			
	0.32%		0.63%		1.20%		1.60%			

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

	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	YTD
Stock Mutual Funds	\$12,331	(\$27,148)	(\$24,881)	\$8,922	(\$20,432)	(\$19,983)	(\$72,444)	(\$30,776)
Hybrid Mutual Funds	\$2,075	(\$4,045)	(\$4,234)	(\$412)	(\$1,991)	(\$4,900)	(\$14,389)	(\$6,616)
Taxable Bond Funds	\$23,699	\$16,433	\$12,616	\$12,662	(\$2,699)	(\$13,424)	(\$32,357)	\$65,410
Municipal Bond Funds	\$5,123	\$3,478	\$4,349	\$3,851	(\$4,308)	(\$1,171)	(\$8,358)	\$16,801
Money Market Funds	(\$23,237)	(\$77,019)	(\$6,330)	\$59,473	\$109,353	\$122,206	\$143,520	(\$47,113)



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

Index	Apr-09 Level	Mar-09 Level	Feb-09 Level	Jan-09 Level	Dec-08 Level	Nov-08 Level	Oct-08 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	110.9	103.2	97.5	103.1	111.7	116.2	144.0	(0.73%)
Altman-NYU Defaulted Public Bonds Index	82.4	75.9	74.2	80.1	75.9	77.2	93.1	8.57%
Combined Bank Loan-Public Bond Index	109.8	101.8	97.4	103.7	105.9	109.7	134.3	3.70%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	174.0	172.1	185.4	(2.50%)
Citigroup High Yield Index	191.5	174.7	160.7	179.8	170.6	157.4	174.4	17.68%

**Distressed News**

Story Description	Size (\$mil)	Date	*Source
WL Homes To Liquidate After Failing To Ink Deal With Creditors	977.0	6/5/2009	DBR
Grupo Mexico Offers \$2.9B To Take Asarco Out Of Chapter 11	537.0	6/3/2009	DBR
General Motors Enters Chapter 11, Embarks On Historic Restructuring	172,810.0	6/1/2009	DBR
R.H. Donnelley Files For Chapter 11 Bankruptcy Protection	12,374.0	5/29/2009	DBR
Supplier Metaldyne Files For Chapter 11 Bankruptcy In New York	1,366.9	5/28/2009	DBR
DBSD North America Enters Chapter 11 Bankruptcy Protection	813.0	5/19/2009	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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Week ending June 5, 2009

**M&A Announced Transactions - Source: Capital IQ**

Target	Date	Acquirer	Value (\$mm)	Industry
Wind River Systems, Inc.	6/4/2009	Intel Corporation	883.5	Technology
Axsys Technologies, Inc.	6/4/2009	General Dynamics Advanced Information Systems, Inc.	627.6	Industrials
NATCO Group Inc.	6/1/2009	Cameron International Corporation	756.0	Energy
RMI Corporation	5/31/2009	NetLogic Microsystems Inc.	251.4	Technology
Cougar Biotechnology, Inc.	5/21/2009	Johnson & Johnson	989.9	Healthcare
Data Domain, Inc.	5/20/2009	NetApp, Inc.	2,380.7	Technology
Quicksilver Resources Inc., Alliance Properties	5/15/2009	ENI Petroleum US LLC	280.0	Energy

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
St Jude Medical Inc	6/5/2009	LT Local Issuer Credit	S&P	A	A-	Medical Instruments
General Nutrition Centers Inc	6/5/2009	LT Local Issuer Credit	S&P	B	B-	Retail-Vitamins/Nutr Sup
Rockwood Specialties Group Inc	6/5/2009	LT Local Issuer Credit	S&P	B+	B+ *	Chemicals-Specialty
Clearwater Paper Corp	6/5/2009	LT Local Issuer Credit	S&P	BB	BB-	Paper&Related Products
Steel Dynamics Inc	6/3/2009	LT Local Issuer Credit	S&P	BB+	BB+ *	Steel-Producers
Global Hyatt Corp	6/3/2009	LT Local Issuer Credit	S&P	BBB	BBB *	Hotels&Motels
PMI Group Inc/The	6/2/2009	LT Local Issuer Credit	S&P	B-	CCC *	Financial Guarantee Ins
Vermont Electric Cooperative Inc	6/1/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Electric-Distribution
Nash Finch Co	5/28/2009	LT Local Issuer Credit	S&P	BB-	B+	Food-Wholesale/Distrib
Harrah's Entertainment Inc	5/27/2009	LT Local Issuer Credit	S&P	CCC *+	CCC	Casino Hotels
NRG Energy Inc	5/22/2009	LT Local Issuer Credit	S&P	BB- *+	B+ *+	Independ Power Producer
Liberty Global Inc	5/20/2009	LT Local Issuer Credit	S&P	B+	B+ *	Broadcast Serv/Program
CommScope Inc	5/20/2009	LT Local Issuer Credit	S&P	BB-	BB- *	Telecommunication Equip
Awesome Acquisition Co LP	5/19/2009	LT Local Issuer Credit	S&P	B	B-	Consumer Products-Misc
Quantum Corp	5/18/2009	LT Local Issuer Credit	S&P	CC *	CC *	Computers-Memory Devices
MGM Mirage	5/18/2009	LT Local Issuer Credit	S&P	CCC+	CCC *+	Casino Hotels

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
American Achievement Corp	6/5/2009	LT Local Issuer Credit	S&P	CC	CCC+	Consumer Products-Misc
Penske Auto Group Inc	6/5/2009	LT Local Issuer Credit	S&P	B+ *	B+	Retail-Automobile
ArcelorMittal Dofasco Inc	6/5/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Steel-Producers
Ispat Inland LP	6/5/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Steel-Producers
CBS Corp	6/5/2009	LT Local Issuer Credit	S&P	BBB-	BBB *	Television
Evergreen International Aviation Inc	6/4/2009	LT Local Issuer Credit	S&P	B- *	B-	Transport-Air Freight
Federal Mogul Corp	6/3/2009	LT Local Issuer Credit	S&P	B+	BB-	Auto/Trk Prts&Equip-Orig
Lear Corp	6/2/2009	LT Local Issuer Credit	S&P	D	CCC+	Auto/Trk Prts&Equip-Orig
Travelport LLC	6/2/2009	LT Local Issuer Credit	S&P	B-	B	Travel Services
General Motors Corp	6/1/2009	LT Local Issuer Credit	S&P	D	CC	Auto-Cars/Light Trucks
Steinway Musical Instruments	6/1/2009	LT Local Issuer Credit	S&P	B	B+	Retail-Leisure Products
Dex Media East LLC	5/29/2009	LT Local Issuer Credit	S&P	D	CC	Publishing-Periodicals
Fisher Communications Inc	5/29/2009	LT Local Issuer Credit	S&P	B-	B *	Broadcast Serv/Program
Metaldyne Corp	5/28/2009	LT Local Issuer Credit	S&P	D	CCC-	Auto/Trk Prts&Equip-Orig
Visteon Corp	5/28/2009	LT Local Issuer Credit	S&P	D	CCC	Auto/Trk Prts&Equip-Orig
Radiation Therapy Services Inc	5/28/2009	LT Local Issuer Credit	S&P	B+ *	B+	Medical-Outptn/Home Med
Marsico Parent Co LLC	5/27/2009	LT Local Issuer Credit	S&P	CCC+	B-	Special Purpose Entity
Citadel Broadcasting Corp	5/27/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Radio
Orbitz Worldwide Inc	5/22/2009	LT Local Issuer Credit	S&P	B *	B	E-Commerce/Services
Terex Corp	5/22/2009	LT Local Issuer Credit	S&P	BB-	BB	Machinery-Constr&Mining
Allis-Chalmers Energy Inc	5/22/2009	LT Local Issuer Credit	S&P	CC *	B	Oil-Field Services
McClatchy Co/The	5/22/2009	LT Local Issuer Credit	S&P	CC	CCC+	Publishing-Newspapers
Snoqualmie Entertainment Authority	5/22/2009	LT Local Issuer Credit	S&P	CCC	B *	Casino Services
Georgia Gulf Corp	5/21/2009	LT Local Issuer Credit	S&P	D	CC	Chemicals-Diversified
New York Times Co/The	5/21/2009	LT Local Issuer Credit	S&P	B	B+ *	Publishing-Newspapers
General Maritime Corp	5/21/2009	LT Local Issuer Credit	S&P	BB-	BB	Transport-Marine
American Reprographics Co	5/20/2009	LT Local Issuer Credit	S&P	BB-	BB *	Applications Software
UnitedGlobalCom Inc	5/20/2009	LT Local Issuer Credit	S&P	B+	B+ *+	Broadcast Serv/Program
Del Frisco's Restaurant Group LLC	5/20/2009	LT Local Issuer Credit	S&P	B-	B	Retail-Restaurants
UGC Europe Inc	5/20/2009	LT Local Issuer Credit	S&P	B+	B+ *+	Telecom Services
ION Media Networks Inc	5/20/2009	LT Local Issuer Credit	S&P	D	CC	Television
Caraustar Industries Inc	5/19/2009	LT Local Issuer Credit	S&P	D	CC	Paper&Related Products
Sagittarius Restaurants LLC	5/19/2009	LT Local Issuer Credit	S&P	CCC	B-	Retail-Restaurants
Renfro Corp	5/18/2009	LT Local Issuer Credit	S&P	B-	B *	Apparel Manufacturers
Inn of the Mountain Gods Resort & Casino	5/18/2009	LT Local Issuer Credit	S&P	D	CCC	Casino Hotels
Atrium Cos Inc	5/18/2009	LT Local Issuer Credit	S&P	D	CCC-	Bldg Prod-Doors&Windows

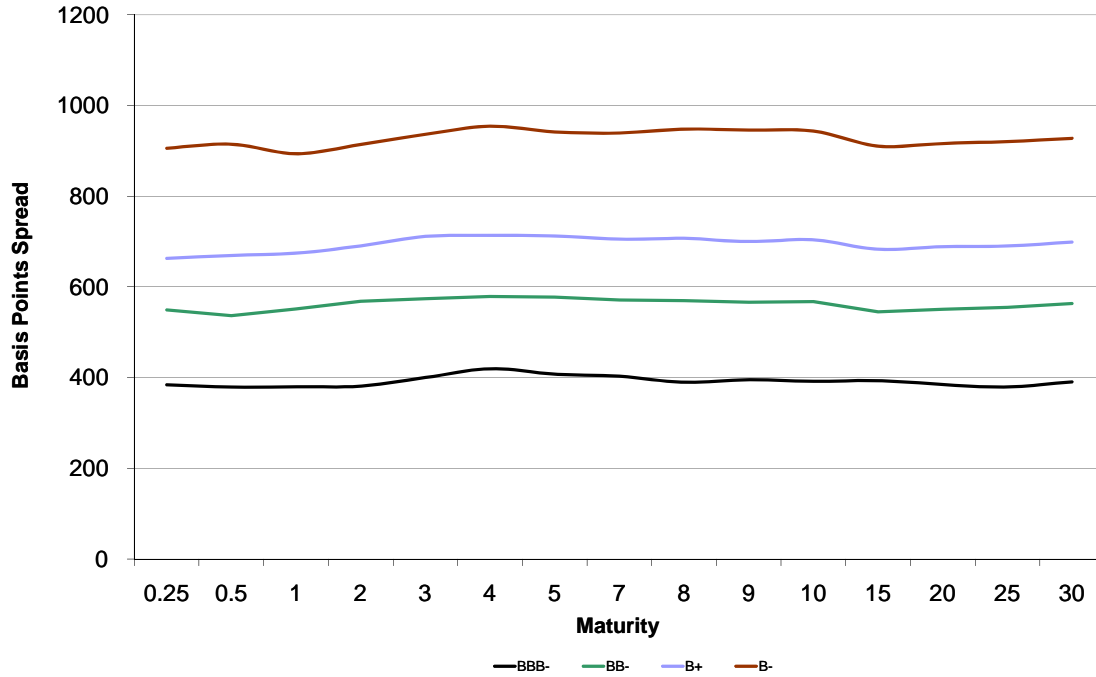


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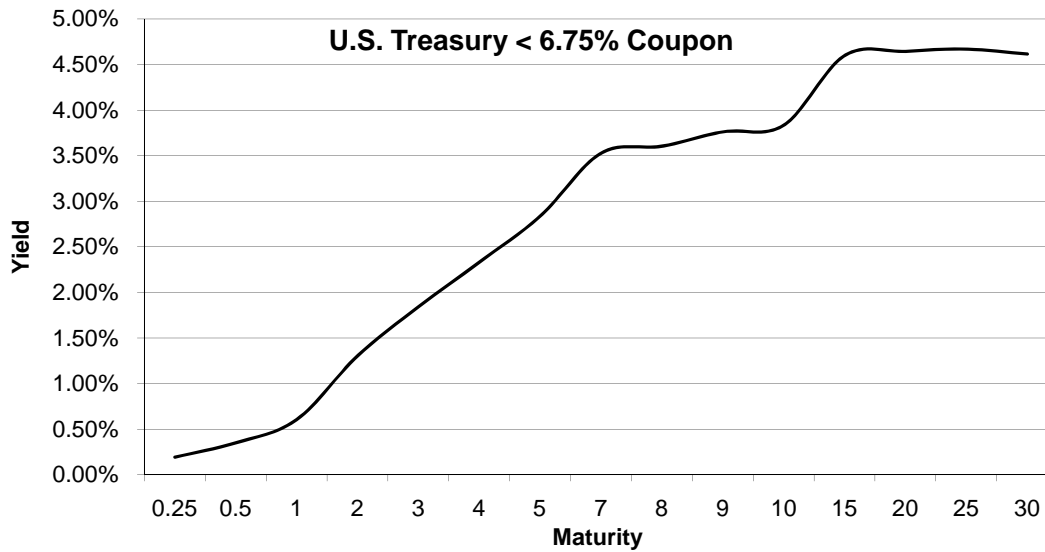
Week ending June 5, 2009

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-	(29)	(99)	(109)	176
BB-	(56)	(425)	(509)	132
B+	(78)	(482)	(464)	196
B-	(91)	(411)	(439)	282





**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