



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 12

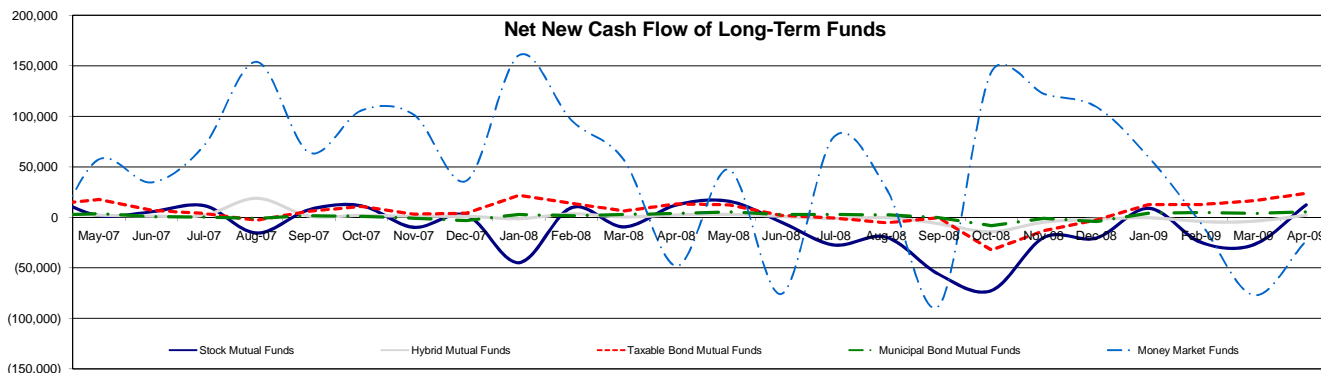
Week ending June 19, 2009

Key Market Indicators - Source: Bloomberg

	June 19, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,555.60	8,539.73	8,799.26	8,497.18	(223.40)	(2.55%)	(494.96)	(4.11%)
Nasdaq	1,807.72	1,827.47	1,862.37	1,796.18	(21.95)	(1.19%)	195.26	11.96%
S&P 500	918.37	921.23	946.21	910.71	(18.86)	(2.01%)	(10.57)	(1.13%)
Russell 2000	509.48	512.72	527.93	503.74	(17.64)	(3.33%)	6.88	1.36%
OEX Volatility Index	30.03	27.99	32.68	27.99	(1.63)	(5.50%)	(11.20)	(28.58%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.32%	0.61%	1.19%	1.74%				

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
Building Materials Enters Chapter 11 Bankruptcy Protection	481.3	6/16/2009	DBR
Extended Stay Enters Chapter 11 To Restructure \$7.6B Debt Load	7,674.3	6/16/2009	DBR
Judge Approves Tropicana Atlantic City Sale To Icahn, Lenders	2,430.0	6/15/2009	DBR
JPMorgan, Anchorage To Get 84% Stake In Bally Bankruptcy Plan	1,538.0	6/15/2009	DBR
Fontainebleau Las Vegas Seeks Chapter 11 Bankruptcy Protection	1,000.0	6/11/2009	DBR
Ford To Provide Visteon With \$125M In Bankruptcy Financing	5,324.0	6/5/2009	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
Abraxas Energy Partners, L.P.	6/18/2009	Abraxas Petroleum Corp.	201.4	Energy
HLTH Corporation	6/17/2009	WebMD Health Corp.	1,968.5	Technology
Hawaiian Telcom Communications Inc.	6/17/2009	Sandwich Isles Communications, Inc.	1,324.5	Telecommunications
Eddie Bauer Holdings, Inc.	6/16/2009	CCMP Capital Advisors, LLC	421.7	Retail
FiberNet Telecom Group Inc.	6/16/2009	RCN Corp.	110.6	Telecommunications
Barclays Global Investors, National Association	6/11/2009	BlackRock, Inc.	13,344.5	Financial Services
Verizon Wireless Inc., Certain Wireless Assets	6/9/2009	Atlantic Tele-Network Inc.	200.0	Telecommunications

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Hanger Orthopedic Group Inc	6/19/2009	LT Local Issuer Credit	S&P	B+	B	Medical Products
Mueller Water Products Inc	6/19/2009	LT Local Issuer Credit	S&P	B	B -	Steel Pipe&Tube
Sheridan Group Inc/The	6/19/2009	LT Local Issuer Credit	S&P	B	B -	Printing-Commercial
Visant Holding Corp	6/19/2009	LT Local Issuer Credit	S&P	BB-	B+ *	Advertising Services
Arizant Inc	6/18/2009	LT Local Issuer Credit	S&P	BB-	B+	Medical Products
Quicksilver Resources Inc	6/18/2009	LT Local Issuer Credit	S&P	B +	B	Oil Comp-Explor&Prodn
Standard Motor Products Inc	6/18/2009	LT Local Issuer Credit	S&P	CC	SD	Auto/Trk Prts&Equip-Repl
PNC Financial Services Group Inc	6/17/2009	LT Local Issuer Credit	S&P	A	A -	Super-Regional Banks-US
William Lyon Homes	6/16/2009	LT Local Issuer Credit	S&P	CCC-	SD	Bldg-Residential/Commer
Cinemark Inc	6/15/2009	LT Local Issuer Credit	S&P	B+	B	Theaters
Fenwal Inc	6/11/2009	LT Local Issuer Credit	S&P	B	B -	Bloodstock Services
Harrah's Entertainment Inc	6/11/2009	LT Local Issuer Credit	S&P	CCC+	CCC +	Casino Hotels
Connacher Oil and Gas Ltd	6/10/2009	LT Local Issuer Credit	S&P	B	B -	Oil Comp-Explor&Prodn
Hawker Beechcraft Services Inc	6/9/2009	LT Local Issuer Credit	S&P	CCC+	SD	Aerospace/Defense
Travelport Holdings Ltd	6/9/2009	LT Local Issuer Credit	S&P	B-	SD	Diversified Operations
American Safety Razor Co	6/8/2009	LT Local Issuer Credit	S&P	B	B -	Cosmetics&Toiletries

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Sinclair Broadcast Group Inc	6/19/2009	LT Local Issuer Credit	S&P	B+	BB-	Television
E*Trade Financial Corp	6/19/2009	LT Local Issuer Credit	S&P	CC	CCC- *	Finance-Invest Bnkr/Brkr
Penton Media Inc	6/19/2009	LT Local Issuer Credit	S&P	CCC	B- -	Advertising Services
Affinity Group Inc	6/19/2009	LT Local Issuer Credit	S&P	SD	CCC	Direct Marketing
Entravision Communications Corp	6/18/2009	LT Local Issuer Credit	S&P	B	B+	Multimedia
Daimler North America Corp	6/18/2009	LT Local Issuer Credit	S&P	BBB+	A-	Auto-Cars/Light Trucks
Continental Alloys & Services Inc	6/18/2009	LT Local Issuer Credit	S&P	CCC *	B- -	Mining Services
Comerica Bank	6/17/2009	LT Local Issuer Credit	S&P	A	A+ -	Money Center Banks
Sunstate Equipment Co LLC	6/17/2009	LT Local Issuer Credit	S&P	B-	B+	Rental Auto/Equipment
Eddie Bauer Holdings Inc	6/17/2009	LT Local Issuer Credit	S&P	D	CCC	Retail-Apparel/Shoe
Fifth Third Bank	6/17/2009	LT Local Issuer Credit	S&P	BBB+	A -	Commer Banks-Central US
Keycorp	6/17/2009	LT Local Issuer Credit	S&P	BBB+	A- -	Super-Regional Banks-US
US Bancorp	6/17/2009	LT Local Issuer Credit	S&P	A+	AA -	Super-Regional Banks-US
Wilmington Trust Co	6/17/2009	LT Local Issuer Credit	S&P	BBB+	A- -	Commer Banks-Eastern US
Salem Communications Corp	6/16/2009	LT Local Issuer Credit	S&P	B- -	B-	Radio
Ethan Allen Interiors Inc	6/16/2009	LT Local Issuer Credit	S&P	BB	BBB- -	Home Furnishings
Beazer Homes USA Inc	6/16/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Bldg-Residential/Commer
Cooper-Standard Automotive Inc	6/16/2009	LT Local Issuer Credit	S&P	D	CC	Rubber-Tires
Sabre Inc	6/16/2009	LT Local Issuer Credit	S&P	SD	B	Travel Services
Momentive Performance Materials Inc	6/15/2009	LT Local Issuer Credit	S&P	SD	CC -	Chemicals-Specialty
William Lyon Homes	6/15/2009	LT Local Issuer Credit	S&P	SD	CC	Bldg-Residential/Commer
BlackRock Inc	6/12/2009	LT Local Issuer Credit	S&P	A+	AA-	Invest Mgmt/Advis Serv
TRW Automotive Inc	6/12/2009	LT Local Issuer Credit	S&P	B	B+ -	Auto/Trk Prts&Equip-Orig
iPayment Inc	6/12/2009	LT Local Issuer Credit	S&P	B-	B	Commercial Serv-Finance
Horizon Lines Inc	6/12/2009	LT Local Issuer Credit	S&P	B+ -	B+	Transport-Marine
CIT Group Inc	6/12/2009	LT Local Issuer Credit	S&P	BB- -	BBB-	Finance-Commercial
Alexander & Baldwin Inc	6/12/2009	LT Local Issuer Credit	S&P	BBB+	A- -	Transport-Marine
Matson Navigation Co Inc	6/12/2009	LT Local Issuer Credit	S&P	BBB+	A- -	Whsing&Harbor Trans Serv
American Seafoods Group LLC	6/11/2009	LT Local Issuer Credit	S&P	B	B+	Fisheries
Libbey Inc	6/11/2009	LT Local Issuer Credit	S&P	B -	B	Housewares
NewPage Corp	6/11/2009	LT Local Issuer Credit	S&P	B- -	B	Paper&Related Products
Builders FirstSource Inc	6/11/2009	LT Local Issuer Credit	S&P	CCC+	B-	Bldg&Construct Prod-Misc
Crescent Resources LLC	6/11/2009	LT Local Issuer Credit	S&P	D	CCC- -	Real Estate Oper/Develop
Haight's Cross Communications Inc	6/10/2009	LT Local Issuer Credit	S&P	CC -	CCC-	Publishing-Periodicals
Fontainebleau Las Vegas Holdings LLC	6/10/2009	LT Local Issuer Credit	S&P	D	CCC	Casino Services
Clear Channel Communications Inc	6/8/2009	LT Local Issuer Credit	S&P	CCC	B- -	Broadcast Serv/Program

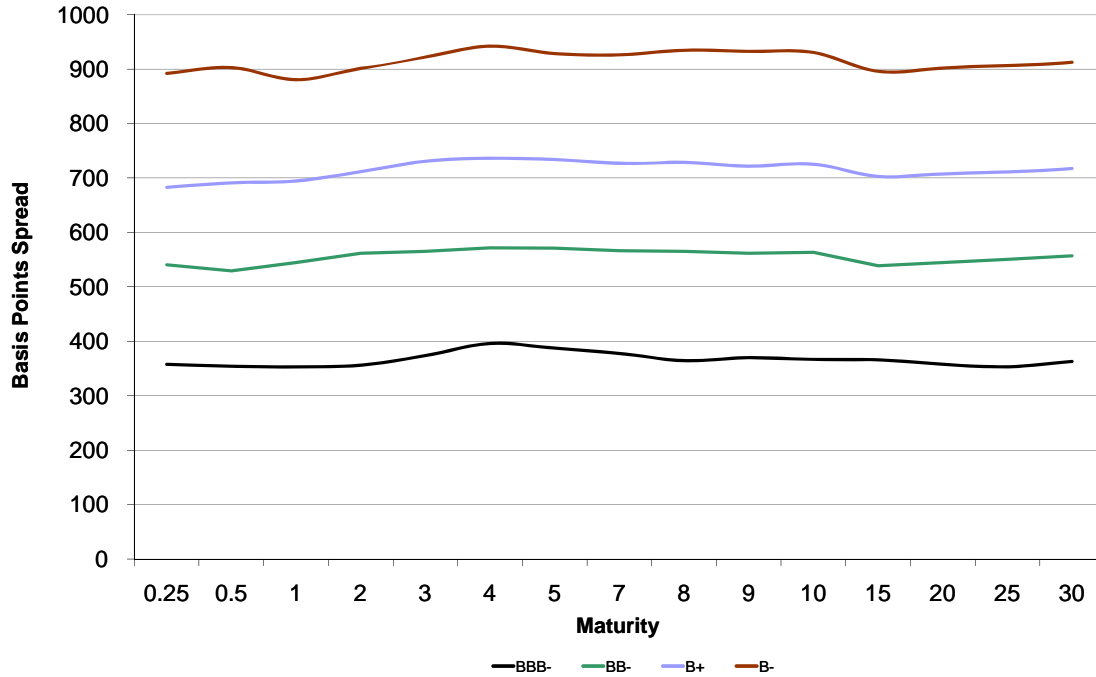


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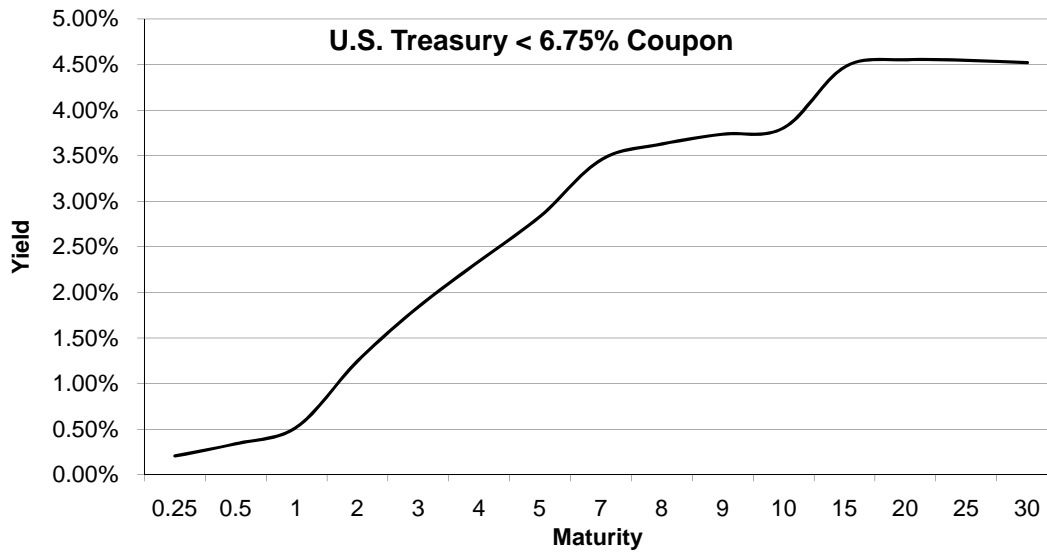
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(25)	(139)	(131)	146
BB-	(4)	(385)	(571)	99
B+	22	(360)	(514)	260
B-	(13)	(375)	(519)	288





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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