



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 13

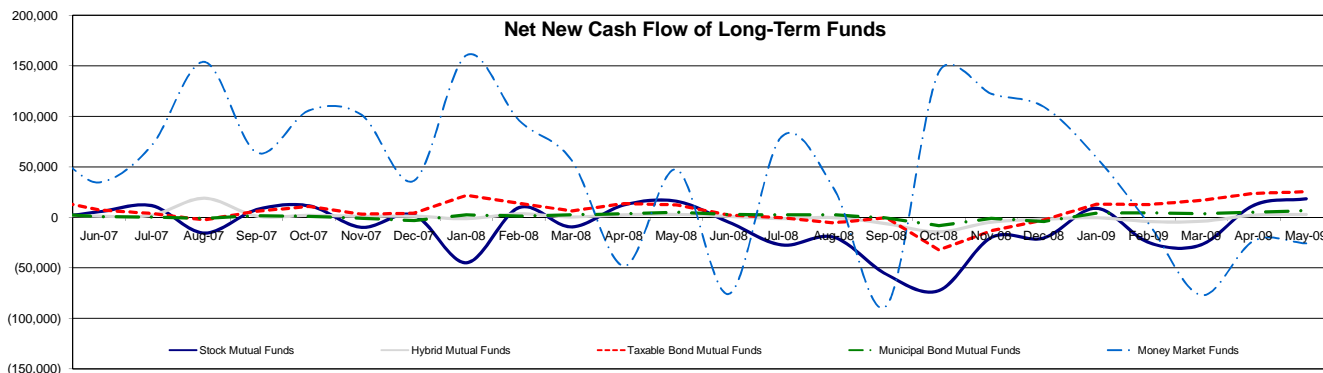
Week ending July 10, 2009

Key Market Indicators - Source: Bloomberg

	July 10, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,183.17	8,146.52	8,529.38	8,146.52	(291.87)	(3.46%)	(888.17)	(7.97%)
Nasdaq	1,752.55	1,756.03	1,845.72	1,746.17	(82.19)	(4.47%)	123.82	7.59%
S&P 500	882.68	879.13	927.23	879.13	(39.77)	(4.33%)	(52.67)	(5.65%)
Russell 2000	479.27	480.98	517.46	479.27	(32.24)	(6.28%)	(24.86)	(4.91%)
OEX Volatility Index	29.78	29.02	31.30	25.35	3.09	11.92%	(10.17)	(25.95%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.29%	0.51%	0.97%	1.46%				

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

	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	YTD
Stock Mutual Funds	\$18,308	\$11,896	(\$27,148)	(\$24,881)	\$8,922	(\$20,432)	(\$19,983)	(\$12,903)
Hybrid Mutual Funds	\$2,801	\$2,068	(\$4,045)	(\$4,234)	(\$412)	(\$1,991)	(\$4,900)	(\$3,822)
Taxable Bond Funds	\$25,113	\$23,434	\$16,433	\$12,616	\$12,662	(\$2,699)	(\$13,424)	\$90,258
Municipal Bond Funds	\$6,535	\$5,093	\$3,478	\$4,349	\$3,851	(\$4,308)	(\$1,171)	\$23,306
Money Market Funds	(\$25,805)	(\$23,234)	(\$77,019)	(\$6,330)	\$59,473	\$109,353	\$122,206	(\$72,915)



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
Judge Denies Stay Of GM Sale; Car Maker Eyes Bankruptcy Exit	172,810.0	7/9/2009	DBR
Concerns Grow Over CIT's Survival After Debt Rating Cut	68,233.4	7/9/2009	DBR
Auto Parts Maker Lear Corp. Files For Bankruptcy Protection In N.Y.	4,540.0	7/7/2009	DBR
MagnaChip Semiconductor Files Chapter 11 Liquidation Plan	1,041.0	6/30/2009	DBR
Extended Stay Bankruptcy Hits Snags As Creditors Cry Foul	7,674.3	6/24/2009	DBR
Sea Launch Enters Chapter 11 Bankruptcy To Restructure Debt	1,000.0	6/23/2009	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
MSC Software Corp.	7/7/2009	Symphony Technology Group; Elliott Management Corp.	347.8	Information Technology
Alcan Packaging, Inc., Packaging Food Americas	7/5/2009	Bemis Co. Inc.	1,200.0	Metal and Glass Containers
Nortel Networks Ltd., CDMA and LTE Access	7/5/2009	Nokia Siemens Networks Oy	650.0	Communications Equipment
Woodbridge Holdings Corp.	7/2/2009	BFC Financial Corporation	371.4	Homebuilding
Towers Perrin, Inc.	6/26/2009	Watson Wyatt Worldwide, Inc.	1,871.9	Professional Services
Tween Brands, Inc.	6/24/2009	Dress Barn Inc.	321.7	Apparel Retail
Frontier Airlines Holdings, Inc.	6/22/2009	Republic Airways Holdings Inc.	616.0	Airlines

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Quantum Corp	7/8/2009	LT Local Issuer Credit	S&P	B-	CC *	Computers-Memory Devices
Riskmetrics Group Holdings LLC	7/8/2009	LT Local Issuer Credit	S&P	BB-	B+	Commercial Serv-Finance
Vought Aircraft Industries Inc	7/7/2009	LT Local Issuer Credit	S&P	B- *	CCC	Aerospace/Defense
Nova Chemicals Corp	7/6/2009	LT Local Issuer Credit	S&P	B-	CCC+ **	Chemicals-Diversified
Gastar Exploration USA Inc	7/2/2009	LT Local Issuer Credit	S&P	CCC **	CCC	Oil Comp-Explor&Prodn
EXCO Resources Inc	6/30/2009	LT Local Issuer Credit	S&P	B **	B	Oil Comp-Explor&Prodn
Laboratory Corp of America Holdings	6/30/2009	LT Local Issuer Credit	S&P	BBB **	BBB	Medical Labs&Testing Srv
PolyOne Corp	6/30/2009	LT Local Issuer Credit	S&P	B-	B- *	Chemicals-Plastics
Safeway Inc	6/30/2009	LT Local Issuer Credit	S&P	BBB	BBB **	Food-Retail
DynCorp International LLC	6/29/2009	LT Local Issuer Credit	S&P	BB	BB-	Computer Services
Talecris Biotherapeutics Inc	6/29/2009	LT Local Issuer Credit	S&P	B+	B	Medical-Drugs
AMF Bowling Worldwide Inc	6/26/2009	LT Local Issuer Credit	S&P	B-	CC **	Recreational Centers
Angiotech Pharmaceuticals Inc	6/25/2009	LT Local Issuer Credit	S&P	CC **	CC	Medical Products
Hollywood Theaters Inc	6/25/2009	LT Local Issuer Credit	S&P	B-	CCC *	Theaters
Wallace Theater Holdings Inc	6/25/2009	LT Local Issuer Credit	S&P	B-	CCC **	Theaters
Mohegan Tribal Gaming Authority	6/23/2009	LT Local Issuer Credit	S&P	B	B- *	Gambling (Non-Hotel)

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
IPC Systems Inc	7/9/2009	LT Local Issuer Credit	S&P	B-	B	Telecommunication Equip
Greenbrier Cos Inc	7/9/2009	LT Local Issuer Credit	S&P	B- *	B-	Transport-Equip&Leasng
Duane Reade Inc	7/9/2009	LT Local Issuer Credit	S&P	CC	CCC+	Retail-Drug Store
CCS Medical Holdings Inc	7/8/2009	LT Local Issuer Credit	S&P	D	CCC	Medical Products
Basic Energy Services Inc	7/7/2009	LT Local Issuer Credit	S&P	B+	BB-	Oil-Field Services
Neenah Foundary Co	7/7/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Metal Processors&Fabrica
Complete Production Services Inc	7/6/2009	LT Local Issuer Credit	S&P	B+	BB-	Oil Field Mach&Equip
Key Energy Services Inc	7/6/2009	LT Local Issuer Credit	S&P	BB-	BB	Oil-Field Services
Unisys Corp	7/6/2009	LT Local Issuer Credit	S&P	CC **	CC *	Computer Services
Advanstar Inc	7/6/2009	LT Local Issuer Credit	S&P	CCC	B-	Advertising Services
Express Energy Services Operating LP	7/2/2009	LT Local Issuer Credit	S&P	D	CCC	Oil-Field Services
Navistar International Corp	7/2/2009	LT Local Issuer Credit	S&P	BB- **	BB-	Auto-Med&Heavy Duty Trks
Forest City Enterprises Inc	7/1/2009	LT Local Issuer Credit	S&P	B+	BB	Real Estate Oper/Develop
Great Atlantic & Pacific Tea Co	6/30/2009	LT Local Issuer Credit	S&P	B-	B- *	Food-Retail
Wyle Holdings Inc	6/29/2009	LT Local Issuer Credit	S&P	B	B+	Consulting Services
Sequa Corp	6/29/2009	LT Local Issuer Credit	S&P	B-	B	Aerospace/Defense-Equip
Cytec Industries Inc	6/29/2009	LT Local Issuer Credit	S&P	BBB-	BBB	Chemicals-Specialty
GATX Corp	6/29/2009	LT Local Issuer Credit	S&P	BBB+ **	BBB+	Transport-Equip&Leasng
Quality Home Brands Holdings LLC	6/29/2009	LT Local Issuer Credit	S&P	CCC	B-	Bldg Prod-Light Fixtures
Veyance Technologies Inc	6/26/2009	LT Local Issuer Credit	S&P	B-	B	Rubber/Plastic Products
OPTI Canada Inc	6/26/2009	LT Local Issuer Credit	S&P	B- *	B-	Oil Comp-Explor&Prodn
Primedia Inc	6/26/2009	LT Local Issuer Credit	S&P	B+	BB-	Publishing-Periodicals
BE Aerospace Inc	6/26/2009	LT Local Issuer Credit	S&P	BBB- **	BBB-	Aerospace/Defense-Equip
RathGibson Inc	6/26/2009	LT Local Issuer Credit	S&P	CC	CCC+ **	Steel-Producers
Catalyst Paper Corp	6/26/2009	LT Local Issuer Credit	S&P	CCC+ **	B	Paper&Related Products
Essar Steel Algoma Inc	6/25/2009	LT Local Issuer Credit	S&P	B-	B	Steel-Producers
Fairpoint Communications Inc	6/25/2009	LT Local Issuer Credit	S&P	CC **	CCC+ *	Telecom Services
Gate Gourmet Borrower LLC	6/24/2009	LT Local Issuer Credit	S&P	B **	B	Food-Catering
Moog Inc	6/24/2009	LT Local Issuer Credit	S&P	BB	BB+ **	Aerospace/Defense-Equip
Connie LEE Insurance Co	6/24/2009	LT Local Issuer Credit	S&P	BBB **	A	Property/Casualty Ins
Radio One Inc	6/24/2009	LT Local Issuer Credit	S&P	CCC+	B-	Radio
CW Media Holdings Inc	6/23/2009	LT Local Issuer Credit	S&P	B- *	B	Multimedia
Citgo Petroleum Corp	6/23/2009	LT Local Issuer Credit	S&P	BB-	BB	Oil Refining&Marketing
Belden Inc	6/23/2009	LT Local Issuer Credit	S&P	BB-	BB **	Wire&Cable Products
NCI Building Systems Inc	6/22/2009	LT Local Issuer Credit	S&P	B **	B+ **	Bldg&Construct Prod-Misc
Westlake Chemical Corp	6/22/2009	LT Local Issuer Credit	S&P	BB	BB+	Chemicals-Diversified

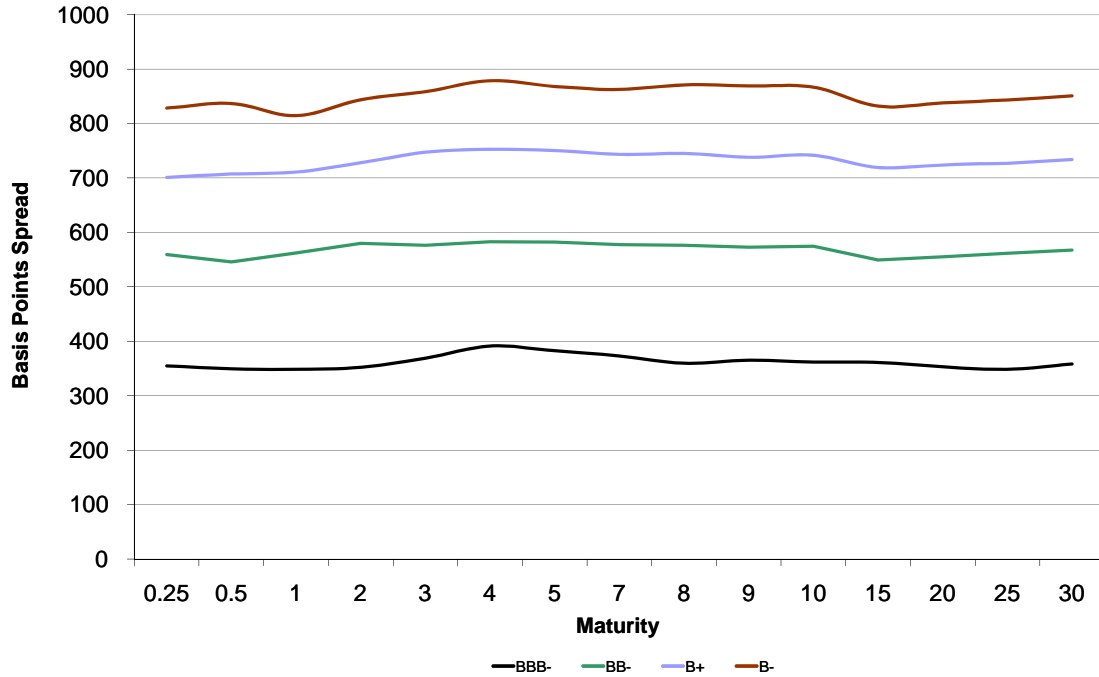


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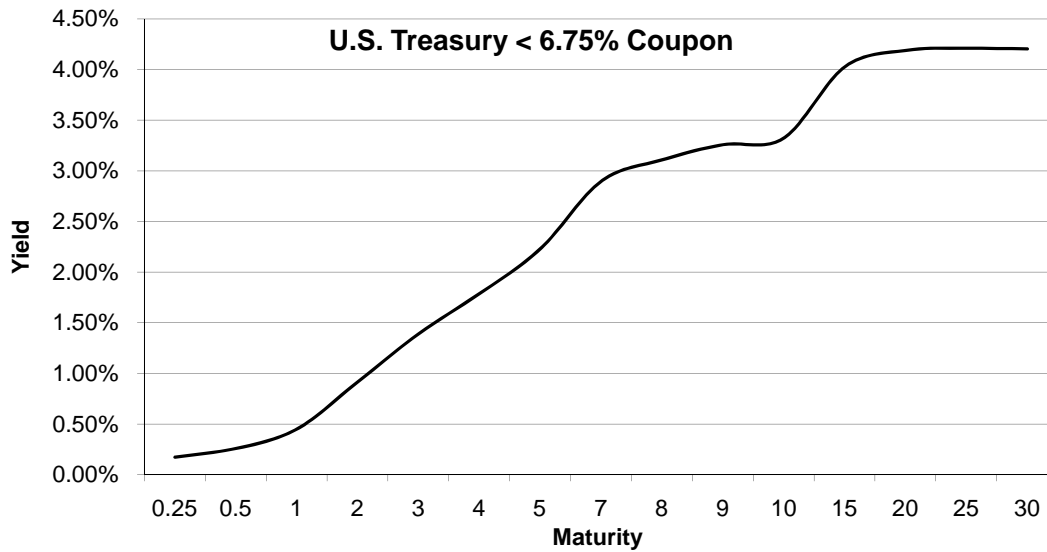
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(17)	(137)	(158)	122
BB-	5	(245)	(605)	111
B+	30	(228)	(537)	218
B-	(61)	(339)	(668)	245





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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