



**HIGH YIELD & DISTRESSED MARKET REVIEW**

Issue 15

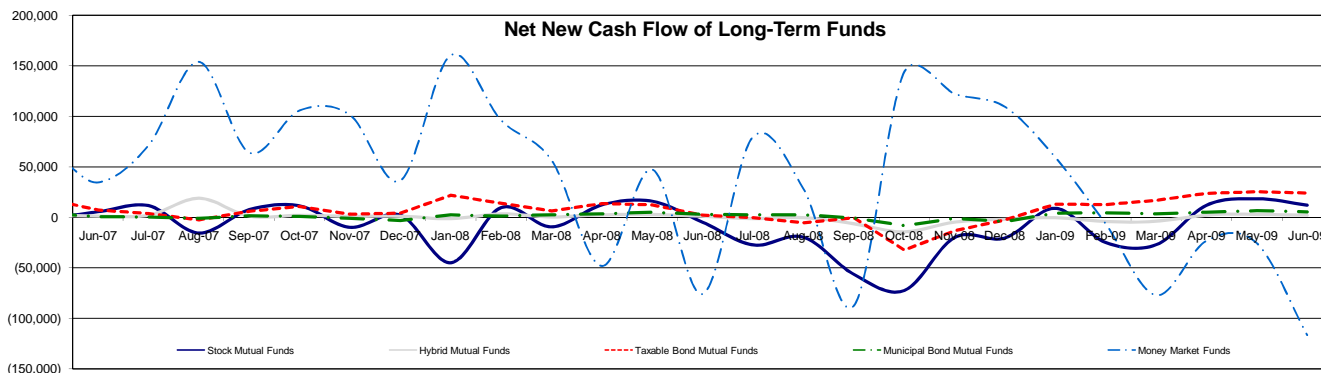
Week ending August 7, 2009

**Key Market Indicators - Source: Bloomberg**

	August 7, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	9,256.26	9,370.07	9,370.07	9,070.72	276.83	3.04%	335.38	2.88%
Nasdaq	1,973.16	2,000.25	2,011.31	1,967.76	34.29	1.74%	368.04	22.55%
S&P 500	997.08	1,010.48	1,010.48	975.15	31.22	3.19%	78.68	8.44%
Russell 2000	557.62	572.40	572.40	548.38	23.94	4.36%	66.56	13.16%
OEX Volatility Index	25.67	24.76	25.92	24.28	1.67	7.23%	(14.43)	(36.82%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.28%	0.46%	0.91%	1.51%				

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

	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	YTD
Stock Mutual Funds	\$11,995	\$18,380	\$11,896	(\$27,148)	(\$24,881)	\$8,922	(\$20,432)	(\$396)
Hybrid Mutual Funds	\$1,916	\$2,797	\$2,068	(\$4,045)	(\$4,234)	(\$412)	(\$1,991)	(\$1,914)
Taxable Bond Funds	\$23,711	\$25,103	\$23,434	\$16,433	\$12,616	\$12,662	(\$2,699)	\$113,897
Municipal Bond Funds	\$5,379	\$6,535	\$5,093	\$3,478	\$4,349	\$3,851	(\$4,308)	\$28,702
Money Market Funds	(\$116,527)	(\$25,552)	(\$23,234)	(\$77,019)	(\$6,330)	\$59,473	\$109,353	(\$189,172)



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

Index	Jun-09 Level	May-09 Level	Apr-09 Level	Mar-09 Level	Feb-09 Level	Jan-09 Level	Dec-08 Level	YTD Return
Altman-NYU Defaulted Bank Loans Index	115.9	115.3	110.9	103.2	97.5	103.1	111.7	3.81%
Altman-NYU Defaulted Public Bonds Index	100.5	97.5	82.4	75.9	74.2	80.1	75.9	32.43%
Combined Bank Loan-Public Bond Index	121.6	119.7	109.8	101.8	97.4	103.7	105.9	14.80%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	159.3	159.3	174.0	3.16%
Citigroup High Yield Index	202.6	202.2	191.5	174.7	160.7	179.8	170.6	28.60%

**Distressed News**

Story Description	Size (\$mil)	Date	*Source
Southwest, Republic Expected To Vie For Frontier At Auction	1,023.5	8/7/2009	DBR
As Trucking Firm YRC Struggles, Rivals Stalk Its Customers	3,491.3	8/6/2009	DBR
Pilgrim's Pride Seeks To Enter Into \$1.65B Exit-Loan Deal	2,913.9	8/5/2009	DBR
Cooper-Standard Bondholders In Duel To Finance Chapter 11	1,789.1	8/5/2009	DBR
Asarco, Bondholders Reach Deal On Company's Restructuring Plan	1,000.0	8/4/2009	DBR
Smurfit-Stone Seeks To Sell Timberlands To Quebec For \$55.4M	6,675.0	7/31/2009	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 August 7, 2009

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

Target	Date	Acquirer	Value (\$mm)	Industry
Monsanto Company, Hybrid Sunflower Seed Business	8/6/2009	Syngenta AG	160.0	Agricultural Products
Specialty Products & Insulation Co.	8/6/2009	Superior Plus Corp.	135.0	Trading Companies and Distributors
On2 Technologies Inc.	8/4/2009	Google Inc.	109.7	Internet Software and Services
Patriot Capital Funding, Inc.	8/3/2009	Prospect Capital Corp.	354.4	Asset Management
Hartwell Energy Limited Partnership	8/3/2009	Oglethorpe Power Corp.	148.5	Electric Utilities
MX Logic, Inc.	7/30/2009	McAfee, Inc.	170.0	Data Processing
Merial Limited	7/29/2009	Sanofi-Aventis	4,000.0	Pharmaceuticals

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Coeur d'Alene Mines Corp	8/7/2009	LT Local Issuer Credit	S&P	B-	CCC+*	Precious Metals
Toshiba America Inc	8/7/2009	LT Local Issuer Credit	S&P	BBB	BBB+*	Electronic Compo-Misc
Best Brands Corp	8/6/2009	LT Local Issuer Credit	S&P	B-	CCC+	Food-Retail
DIRECTV Group Inc/The	8/6/2009	LT Local Issuer Credit	S&P	BBB-	BB	Cable/Satellite TV
Oshkosh Corp	8/6/2009	LT Local Issuer Credit	S&P	B+*	B	Auto-Med&Heavy Duty Trks
Unisys Corp	8/5/2009	LT Local Issuer Credit	S&P	B	SD	Computer Services
Viant Holdings Inc	8/5/2009	LT Local Issuer Credit	S&P	B+*	B	Health Care Cost Contain
Alpha Natural Resources Inc	8/4/2009	LT Local Issuer Credit	S&P	BB	BB-*	Coal
Markel Corp	8/4/2009	LT Local Issuer Credit	S&P	BBBu	NR	Property/Casualty Ins
Vishay Intertechnology Inc	8/4/2009	LT Local Issuer Credit	S&P	BB	BB-*	Electronic Compo-Misc
American Casino & Entertainment Properties LLC	8/3/2009	LT Local Issuer Credit	S&P	B	NR	Casino Services
Fairpoint Communications Inc	8/3/2009	LT Local Issuer Credit	S&P	CC	SD	Telecom Services
Valmont Industries Inc	7/31/2009	LT Local Issuer Credit	S&P	BBB-	BB+	Steel Pipe&Tube
Airgas Inc	7/30/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Industrial Gases
Headwaters Inc	7/30/2009	LT Local Issuer Credit	S&P	CCC+*	SD	Energy-Alternate Sources
Perry Ellis International Inc	7/30/2009	LT Local Issuer Credit	S&P	B+	B+*	Textile-Apparel

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
AAC Group Holding Corp	8/7/2009	LT Local Issuer Credit	S&P	SD	CC	Special Purpose Entity
American Achievement Corp	8/7/2009	LT Local Issuer Credit	S&P	SD	CC	Consumer Products-Misc
Cannery Casino Resorts LLC	8/7/2009	LT Local Issuer Credit	S&P	B	B+*	Casino Hotels
Finlay Enterprises Inc	8/7/2009	LT Local Issuer Credit	S&P	NR	Du	Retail-Jewelry
Petro-Canada	8/7/2009	LT Local Issuer Credit	S&P	NR	BBB+	Oil Comp-Integrated
Smithfield Foods Inc	8/7/2009	LT Local Issuer Credit	S&P	B-	B	Food-Meat Products
Stolle Machinery Co LLC	8/7/2009	LT Local Issuer Credit	S&P	NR	B+	Machinery-General Indust
Accuride Corp	8/6/2009	LT Local Issuer Credit	S&P	D	CCC	Auto/Trk Prts&Equip-Orig
Commercial Vehicle Group Inc	8/6/2009	LT Local Issuer Credit	S&P	SD	CCC+	Auto/Trk Prts&Equip-Repl
Haights Cross Communications Inc	8/6/2009	LT Local Issuer Credit	S&P	D	CC+*	Publishing-Periodicals
Xerium Technologies Inc	8/6/2009	LT Local Issuer Credit	S&P	CC	CCC+	Paper&Related Products
Group Health Cooperative of Puget Sound	8/5/2009	LT Local Issuer Credit	S&P	BBB+	A-	Inactive/Unknown
CC Media Holdings Inc	8/4/2009	LT Local Issuer Credit	S&P	CC	CCC	Radio
Center for Diagnostic Imaging Inc	8/4/2009	LT Local Issuer Credit	S&P	NR	B+	MRI/Medical Diag Imaging
Clear Channel Communications Inc	8/4/2009	LT Local Issuer Credit	S&P	CC	CCC	Broadcast Serv/Program
DriveTime Automotive Group	8/4/2009	LT Local Issuer Credit	S&P	NR	B-	Auto-Cars/Light Trucks
Foundation Coal Corp	8/4/2009	LT Local Issuer Credit	S&P	NR	BB-*	Coal
Rlc Industries Co	8/4/2009	LT Local Issuer Credit	S&P	B+*	B+*	Inactive/Unknown
Markel Corp	8/3/2009	LT Local Issuer Credit	S&P	NR	BBB	Property/Casualty Ins
Unisys Corp	8/3/2009	LT Local Issuer Credit	S&P	SD	CC+*	Computer Services
Fairpoint Communications Inc	7/31/2009	LT Local Issuer Credit	S&P	SD	CC+*	Telecom Services
Harvest Energy Trust	7/31/2009	LT Local Issuer Credit	S&P	B-	B	Oil Comp-Explor&Prodn
Tronox Inc	7/31/2009	LT Local Issuer Credit	S&P	NR	D	Chemicals-Specialty
Boeing Co/The	7/29/2009	LT Local Issuer Credit	S&P	A	A+*	Aerospace/Defense
Foamex LP	7/29/2009	LT Local Issuer Credit	S&P	NR	D	Advanced Materials/Prd
Horizon Lines Inc	7/29/2009	LT Local Issuer Credit	S&P	B	B+*	Transport-Marine
Hubbell Inc	7/29/2009	LT Local Issuer Credit	S&P	A	A+*	Power Conv/Supply Equip
Nucor Corp	7/29/2009	LT Local Issuer Credit	S&P	A	A+*	Steel-Producers
USEC Inc	7/29/2009	LT Local Issuer Credit	S&P	B-*	B-	Non-Ferrous Metals
Connie LEE Insurance Co	7/28/2009	LT Local Issuer Credit	S&P	CC	BBB+*	Property/Casualty Ins
Headwaters Inc	7/28/2009	LT Local Issuer Credit	S&P	SD	B	Energy-Alternate Sources
America West Airlines LLC	7/27/2009	LT Local Issuer Credit	S&P	B-*	B-	Airlines
Fortune Brands Inc	7/27/2009	LT Local Issuer Credit	S&P	BBB-*	BBB-	Consumer Products-Misc
Harley-Davidson Inc	7/27/2009	LT Local Issuer Credit	S&P	BBB	BBB+	Motorcycle/Motor Scooter
Harman International Industries Inc	7/27/2009	LT Local Issuer Credit	S&P	B+	BB+*	Audio/Video Products
US Airways Inc	7/27/2009	LT Local Issuer Credit	S&P	B-*	B-	Airlines

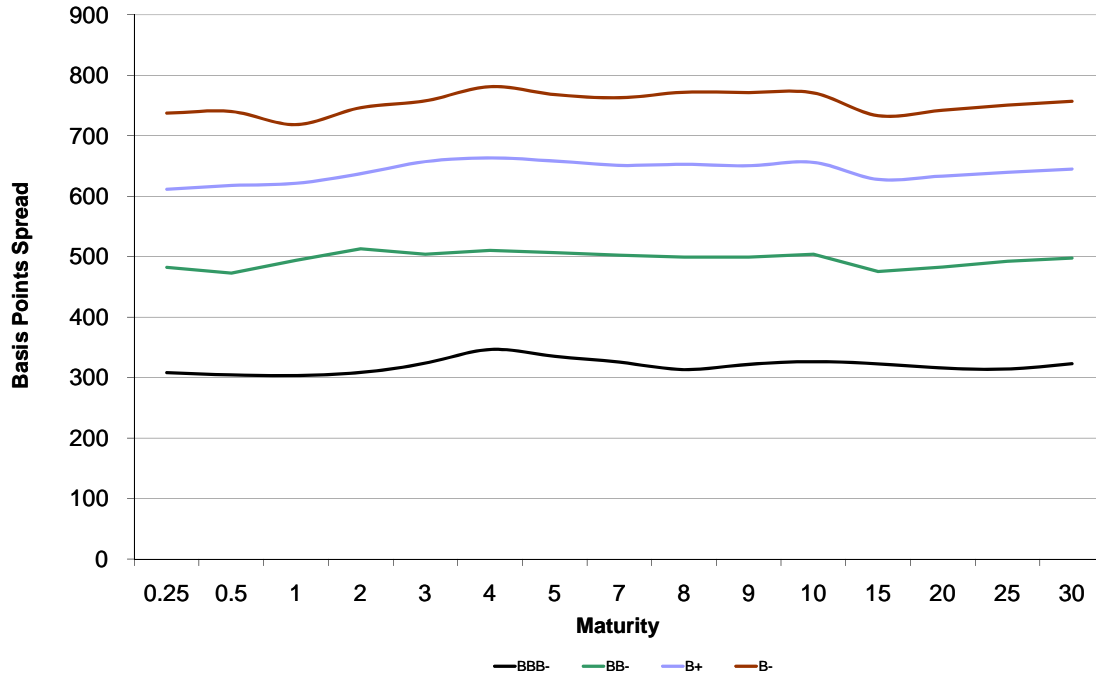


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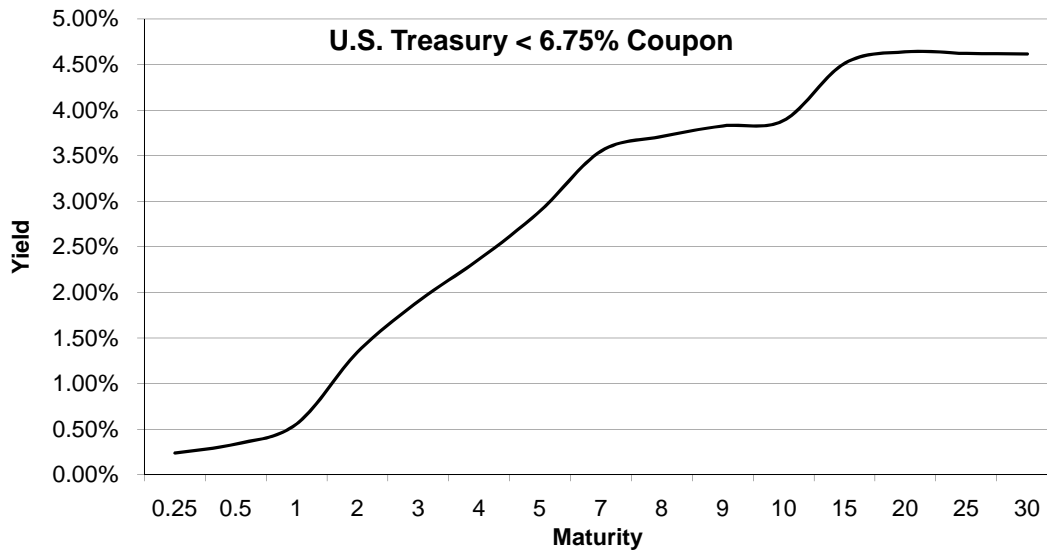
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(45)	(129)	(183)	75
BB-	(63)	(158)	(547)	36
B+	(94)	(186)	(449)	136
B-	(66)	(311)	(561)	118





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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