August 2013

To The Friends and Clients of Navigant Capital Advisors (“NCA”):

We are pleased to share with you NCA’s Capital Restructuring Perspectives Quarterly Dialogue which includes our coverage of key trends, activity, and metrics most relevant to restructuring and bankruptcy professionals, attorneys, workout groups, distressed debt investors, and other interested parties in the capital restructuring space.

In this edition, we provide our second quarter of 2013 perspectives on the restructuring market.

- All three ratings agencies continue to project that 2013 will end with a relatively low default rate ranging from 2.0% (Fitch) to 2.6% (Moody’s) and a high of 3.4% (S&P). In addition, after declining for six consecutive months, the S&P U.S. distress ratio (a barometer of securities trading at distressed levels) increased in June to 6%. This increase was primarily due to market anxiety about the possibility of a change in the Federal Reserve’s policy, which drove spreads higher.

- Close to $3 trillion in U.S. corporate debt is expected to mature through 2017. These debt maturities are scheduled to peak in 2017, when $925 billion comes due. During the past year, companies have continued to take advantage of favorable market conditions and extended their maturity schedule by refinancing debt during periods of record-low yields and strong demand for debt issuance.

- Middle market lending reached $51 billion in 2Q13, up 19% both quarter over quarter and year over year affording companies a continued source of liquidity, thus delaying heightened restructuring activity in the near-term. For the first half of the year, middle market lending was $94 billion, 22% ahead of the same period in 2012. The lending landscape remains extremely competitive.

We welcome your comments and hope that you find our Quarterly Dialogue informative.

Raoul Nowitz  
Director  
Restructuring Practice  
raoul.nowitz@ncacf.com  
(404) 504-2071

Neil F. Luria  
Managing Director  
Restructuring Practice  
nluria@ncacf.com  
(216) 321-5606

Edward R. Casas  
Senior Managing Director  
Head of NCA  
ecasas@ncacf.com  
(847) 583-1619

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2Q13 Perspectives

- **Default levels remain low with a similar outlook expected for the rest of the year**
  All three ratings agencies project that 2013 will end with a relatively low default rate ranging from 2.0% (Fitch) to 2.6% (Moody’s) and a high of 3.4% (S&P). There are three main drivers behind this outlook: default watch lists are light, there are few near-term loan maturities, and empirical indicators of default are mostly benign. After declining for six consecutive months, the U.S. distress ratio increased in June to 6%. This increase was primarily due to market anxiety about the possibility of a change in the Federal Reserve’s policy, which drove spreads higher.

  Close to $3 trillion in U.S. corporate debt is expected to mature through 2017. Debt maturities are scheduled to peak in 2017, when $925 billion comes due. During the past year, companies have continued to take advantage of favorable market conditions and extended their maturity schedule by refinancing debt during periods of record-low yields and strong demand for debt issuance.

  Many companies restructuring today continue to face significant influence from their existing lenders, who are using the lure of fresh money to fast-track Chapter 11 cases. Many DIP financing arrangements continue to condition access to cash on a quick asset sale or a rapid restructuring. These loans essentially provide lenders the power to establish a protocol to lock companies into a bankruptcy-exit strategy before the Chapter 11 petitions are filed.

  The second quarter saw the Chapter 11 filings of several companies in various sectors including Orchard Supply Hardware Stores (building supplies), Synagro Technologies (environmental services), The Scooter Store (retail), GMX Resources (oil and gas), TMT USA Shipmanagement (marine transportation), and Exide Technologies (car batteries).

- **Amendment activity is expected to remain subdued**
  First, despite a setback in June, covenant-lite loans accounted for 52% of new institutional volume in 2013, pushing loans with incurrence-only covenant tests to fresh highs. Second, the credit environment suggests that distressed covenant-relief will remain at low ebb. Finally, today’s technical conditions likely will continue to limit an ability to use amendments to execute repricings and recaps. For the first half of the year, Amend-to-Extend activity is down sharply, at $19 billion, including $6.5 billion of institutional tranches, from $49 billion/$38.4 billion during the first six months of 2012, reflective of continuing availability of financing sources. The outlook for A-to-E activity is less than enthusiastic. Issuers have dealt largely with maturities, reducing the amount due through 2015 to a relatively insignificant level.

- **Middle-market lending remains generally robust mitigating heightened default activity**
  Middle-market lending reached $51 billion in 2Q13, up 19% both quarter over quarter and year over year. For the first half, middle market lending was $94 billion, 22% ahead of the same period in 2012. Of the total first half levels, only one-third, or $31.5 billion, came from new money lending, which was almost equally split between the two quarters. The lack of new money was felt across the board. Unlike the large corporate market, which saw the effects of broader market volatility trickle in, the middle market was isolated. Despite the market’s resilience, middle market lenders were unimpressed by the level of activity in 2Q13, with the middle-market lending landscape remaining extremely competitive and challenging for them. For banks, the playing field has become a lot tougher. Non-sponsored lending – their bread and butter – remains lackluster as companies are in a “wait and see” mode.

- **Leveraged lending maintains its resilience teeing up restructuring activity further in the future**
  At $323 billion, leveraged loan issuance beat 1Q13’s record by 11%, despite the slowdown in June. Refinancings made up 70% of issuance. At one-third of issuance, the volume of new money deals jumped 44% from 1Q13 to $97 billion. However, new money M&A was only $52 billion, or 16% of total leveraged lending. Dividend recaps were prominent, as sponsors took advantage of strong appetite and limited LBO activity to take some money off the table. In turn, the
volume of loans backing dividend recaps reached $21 billion, breaking 4Q12’s record of $19 billion. As the effects of the
volatility in broader markets late in the quarter trickled into the leveraged loan market, investors pushed back and many
deals that would have previously sailed through needed to be revised to garner investors’ attention. Issuers bumped up
spreads, reduced deal amounts and tightened structures during syndication and, in some cases, deals were pulled
altogether. Since late May, over $15 billion in opportunistic deals were pulled from market and leveraged loan issuance
dropped to $96 billion in June from $130 billion in May. While the market correction made many repricings disappear,
sponsors executed dividend recaps in 2Q13 albeit with higher pricing. Dividend recapitalization volume reached $3.3
billion, up from $2.9 billion in 1Q13.

- Weak deal structures remain an issue for lenders
  While pricing has returned to more desirable levels, aggressive leverage levels and weak structures appear to continue to
  be an issue. The lack of new money dealflow favors issuers and sponsors. Covenant-lite has prevailed in the leveraged
  loan market with this also being sought on smaller credits. While the vast majority of middle market lenders have been
  able to stay disciplined, select middle market credits achieved covenant-lite structures in 2Q13. Middle market covenant-
lite volume has grown for seven consecutive quarters now, reaching $2.7 billion, with these structures typically being
  seen as reserved for credits with EBITDA greater than $50 million. While covenant-lite has not been prevalent on smaller
deals, many lenders worry covenant-lite deals may be required at some point to maintain relationships. While the lower
  middle market sponsors are hesitant to ask for covenant-lite structures, the large cap sponsors continue to push for them.
  Furthermore, many lenders are viewing covenant cushions as generally too wide for comfort and the number of
covenants seen on deals is shrinking.

- The hope for meaningful European restructuring activity may not ultimately materialize in the near-term
  Opportunities for private equity firms to acquire distressed European companies may have thinned out on the back of a
  healthier macroeconomic outlook and rising prices in the secondary debt markets. Distress-focused managers expect
  lower loan-to-owned deal activity, deterred by high debt prices and a gradually improving market that has made it easier
  for companies to refinance their debt and less prone to becoming distressed. After a glut of buying in recent years, there
  have been just two distressed takeovers by private equity firms in Europe this year through Q2 worth $1.5 billion, down
  from a full-year peak of 18 deals worth a combined $12.9 billion in 2010, according to Dealogic. Opportunities for such
deals—through which vulture funds seek to seize control of companies by taking a position in their debt—are viewed as
  becoming scarcer because of inflated prices in the secondary debt market driven by competition between vulture
  investors. Certain prominent distress fund managers in Europe have now shifted from an acquisitive mindset to focus on
  selling assets in Europe. Part of the problem has been many boom-era buyouts that have since fallen into distress, yet are
  unattractive, because the companies’ debt contains fewer covenants prescribing performance targets that they must meet
to avoid lenders being able to initiate a takeover.

The recent biggest surge in issuance for European collateralized loan obligations since 2008 may ultimately expose
investors to greater risks as managers gain the ability to load up on junk bonds. Carlyle Group, the world’s second-
largest manager of alternative assets, sold a 350 million-euro ($455 million) CLO that can hold as much as 50% in
speculative-grade bonds, while GoldenTree Asset Management priced a 303 million-euro deal that is able to allocate 40%
to high-yield notes, according to data compiled by Bloomberg. Funds formed before this year were usually limited to
investing up to 10% in junk bonds, according to Moody’s. European CLOs are turning to junk bonds as borrowers in the
region increasingly migrate to the debentures from top-ranking loans, which now account for less than 25% of
speculative-grade debt sales to non-bank lenders, from 75% in 2007, according to JPMorgan Chase.

- Navigant’s restructuring team successfully confirmed a capital restructuring and Plan of Liquidation for Ocala
  Funding, LLC pursuant to which a Navigant professional was appointed Litigation Trustee of a Litigation Trust tasked
  with recovering approximately $2.5 billion on behalf of trust beneficiaries. Ocala Funding, LLC was an issuer of $1.75
  billion of commercial paper used to finance the origination and purchase of Alt-A residential mortgages. During the
  pendency of the bankruptcy, Navigant professionals effectuated critical elements of a capital restructuring plan,
negotiated with several key creditor constituents, and served as Chief Restructuring Officer and in various other
  capacities on behalf of Ocala Funding, LLC and oversaw the servicing of a residential loan portfolio and the settlement of
  various claims against financial institutions.
Distressed Market Indicators

Comparative Default Rates

Overall, default rates remained flat during the Second Quarter, with an expectation that, absent exogenous events, default rates will likely remain benign in 2013 and start to pick up slightly in 2014.

U.S. Speculative-Grade Default Rate Versus Distressed Credit Ratio

After declining for six consecutive months, S&P’s U.S. distress ratio increased in June to 6%. This increase was primarily due to market anxiety about the possibility of a change in the Federal Reserve’s policy, which drove spreads higher. A rising distress ratio reflects an increased need for capital and is typically a precursor to more defaults when accompanied by severe and sustained market disruption.
A surge in investor drive for yield resulted in continued large inflows of capital, although comments from the Fed in June certainly tempered market interest during the late stages of the quarter.

Loan and bond issuance reached $792.4 billion during the first half of the year, compared to $979.9 billion during the full year 2012, on track for another year of record-breaking issuance in 2013.
Distressed Market Indicators (continued)

Count of Amend & Extend by Month

Amend & Extend volume has fallen during the most recent quarter to 15 deals, compared to 24 during the second quarter of 2012, another indicator of structural features and strong market conditions.

Amend & Extend by Industry through First Half 2013

Amend & Extend activity has been spread across a number of sectors. Services & Leasing continues the trend through the first half of the year as being a prominent industry of extension activity.

Source: S&P LCD
Close to $3 trillion in U.S. corporate debt is expected to mature through 2017. Debt maturities are scheduled to reach $925 billion in 2017, with a peak in the second quarter 2018. During the past year, companies have taken advantage of favorable market conditions and extended their maturity schedule by refinancing debt during periods of record-low yields and strong demand for debt issuance.

Companies in the media and entertainment, high technology, and utility sectors had high risks of having their credit ratings downgraded in June 2013, according to a recent report from Standard & Poor’s.
Distressed Market Indicators (continued)

**DIP Financings**

The aggregate number of DIP loans and volume in the first half of 2013 trailed the same period in 2012, with lenders continuing to use debtor-in-possession financing agreements to gain substantial control over debtors in Chapter 11 and the bankruptcy reorganization process.

**Section 363 Sales**

Distressed asset sales continue to trend at lower levels as a primary restructuring outcome. Aggressive investment funds often extend capital to businesses in financial distress (or buy the existing debt at deep discount) with the clear intent of acquiring such companies if they fall into bankruptcy.
Select Bankruptcies

444 companies with over $10 million of aggregate debt filed for bankruptcy during the Second Quarter, 2013 across a variety of sectors. Filings included the following:

<table>
<thead>
<tr>
<th>Debtor Name</th>
<th>Petition Date</th>
<th>Liabilities</th>
<th>Assets</th>
<th>Industry</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercantile Bancorp, Inc.</td>
<td>6/27/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Financial Services</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Horizon Real Estate Group, Inc.</td>
<td>5/31/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Real Estate</td>
<td>Eastern District of Michigan</td>
</tr>
<tr>
<td>Digerati Technologies, Inc.</td>
<td>5/30/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Telecommunications/Cable</td>
<td>Southern District of Texas</td>
</tr>
<tr>
<td>Sound Shore Medical Center of Westchester</td>
<td>5/29/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Education, Health, Hospital</td>
<td>Southern District of New York</td>
</tr>
<tr>
<td>GGW Marketing, LLC</td>
<td>5/22/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Advertising &amp; Marketing</td>
<td>Central District of California</td>
</tr>
<tr>
<td>The D.B. Hess Company</td>
<td>5/22/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Business Services</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Oreck Corporation</td>
<td>5/6/2013</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Retail, Manufacturing, Household Products</td>
<td>Middle District of Tennessee</td>
</tr>
<tr>
<td>Orchard Supply Hardware Stores Corporation</td>
<td>6/17/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Building Supplies, Retail</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Radiation Oncology Center, LLC</td>
<td>6/14/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Business Services, Health, Medical Device</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Las Vegas North Strip Holdings Syndications Group, LLC</td>
<td>6/7/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Real Estate</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Synagro Technologies, Inc.</td>
<td>4/24/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Energy, Environmental Services</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Yarway Corporation</td>
<td>4/22/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Manufacturing</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>The Scooter Store, LTD.</td>
<td>4/15/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Retail, Health, Medical Device</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>GMX Resources, Inc.</td>
<td>4/1/2013</td>
<td>100,000,001 to 500,000,000</td>
<td>100,000,001 to 500,000,000</td>
<td>Oil/Gas</td>
<td>Western District of Oklahoma</td>
</tr>
<tr>
<td>Rotech Healthcare Inc.</td>
<td>4/8/2013</td>
<td>500,000,001 to 1 Billion</td>
<td>100,000,001 to 500,000,000</td>
<td>Health, Medical Device</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>CEDC Finance Corporation, LLC</td>
<td>4/7/2013</td>
<td>500,000,001 to 1 Billion</td>
<td>500,000,001 to 1 Billion</td>
<td>Import/Export, Food &amp; Beverage, Manufacturing</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>TMT USA Shipmanagement LLC</td>
<td>6/20/2013</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Marine, Transportation</td>
<td>Southern District of Texas</td>
</tr>
<tr>
<td>Exide Technologies</td>
<td>6/10/2013</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Environmental Services, Manufacturing</td>
<td>District of Delaware</td>
</tr>
</tbody>
</table>

Source: Federal Judiciary
Select Bankruptcies (continued)

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Number of Filings (2Q13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000,000</td>
<td>1,198</td>
</tr>
<tr>
<td>$10,000,000 to $100,000,000</td>
<td>244</td>
</tr>
<tr>
<td>$100,000,001 to $500,000,000</td>
<td>77</td>
</tr>
<tr>
<td>$500,000,001 to $1 Billion</td>
<td>119</td>
</tr>
<tr>
<td>Over $1 Billion, but less than $5 Billion</td>
<td>4</td>
</tr>
<tr>
<td>Over $5 Billion</td>
<td>---</td>
</tr>
<tr>
<td><strong>Total Filings</strong></td>
<td><strong>1,642</strong></td>
</tr>
</tbody>
</table>
Select DIP Financings

Ten (10) DIP financings over $25 million were announced during the Second Quarter, 2013

<table>
<thead>
<tr>
<th>Debtor</th>
<th>Industry</th>
<th>DIP Date</th>
<th>Amount ($ millions)</th>
<th>Margin Over LIBOR</th>
<th>Term/Length of Agreement (months)</th>
<th>Upfront Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orchard Supply Hardware Stores Corp.</td>
<td>Consumer</td>
<td>6/17/2013</td>
<td>176.3</td>
<td>925</td>
<td>12</td>
<td>1.4%</td>
</tr>
<tr>
<td>Exide Technologies</td>
<td>Manufacturing</td>
<td>6/10/2013</td>
<td>500.0</td>
<td>325</td>
<td>16</td>
<td>7.5%</td>
</tr>
<tr>
<td>NE Opco Inc.</td>
<td>Manufacturing</td>
<td>6/10/2013</td>
<td>68.0</td>
<td>1,223</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Sound Shore Medical Center of Westchester</td>
<td>Healthcare</td>
<td>5/29/2013</td>
<td>33.0</td>
<td>750</td>
<td>12</td>
<td>2.2%</td>
</tr>
<tr>
<td>Allied Systems Holdings Inc.</td>
<td>Automotive</td>
<td>5/17/2013</td>
<td>34.0</td>
<td>1,000</td>
<td>7</td>
<td>1.5%</td>
</tr>
<tr>
<td>K-V Pharmaceutical Co.</td>
<td>Healthcare</td>
<td>5/3/2013</td>
<td>85.0</td>
<td>900</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>AMR Corp. [1]</td>
<td>Transportation</td>
<td>4/25/2013</td>
<td>130.0</td>
<td>-</td>
<td>60</td>
<td>-</td>
</tr>
<tr>
<td>Synagro Technologies Inc.</td>
<td>Manufacturing</td>
<td>4/24/2013</td>
<td>30.0</td>
<td>650</td>
<td>9</td>
<td>2.5%</td>
</tr>
<tr>
<td>Rotech Healthcare Inc.</td>
<td>Healthcare</td>
<td>4/8/2013</td>
<td>30.0</td>
<td>850</td>
<td>7</td>
<td>1.8%</td>
</tr>
<tr>
<td>GMX Resources Inc.</td>
<td>Energy</td>
<td>4/1/2013</td>
<td>50.0</td>
<td>-</td>
<td>6</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

1 AMR seeks to obtain $130 million in additional post petition financing that would be secured by five aircrafts under a subordinated tranche of enhanced equipment trust certificates, or EETCs. AMR would use the financing to acquire new aircrafts and to increase its overall liquidity. AMR would determine the interest when the offering for the EETCs is launched. The underlying notes would mature five years from issuance.

Sources: S&P LCD, The Deal, and PACER

Summary Comparison

<table>
<thead>
<tr>
<th></th>
<th>Margin over LIBOR</th>
<th>Term / Length of agreement (months)</th>
<th>Upfront Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Quarter 2013:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean ($100MM+)</td>
<td>650</td>
<td>9</td>
<td>3.25%</td>
</tr>
<tr>
<td>Median ($100MM+)</td>
<td>650</td>
<td>9</td>
<td>3.25%</td>
</tr>
<tr>
<td>Mean ($25-$100MM)</td>
<td>860</td>
<td>16</td>
<td>4.47%</td>
</tr>
<tr>
<td>Median ($25-$100MM)</td>
<td>900</td>
<td>8</td>
<td>4.47%</td>
</tr>
<tr>
<td>Second Quarter 2012:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean ($100MM+)</td>
<td>529</td>
<td>16</td>
<td>4.12%</td>
</tr>
<tr>
<td>Median ($100MM+)</td>
<td>500</td>
<td>18</td>
<td>3.50%</td>
</tr>
<tr>
<td>Mean ($25-$100MM)</td>
<td>805</td>
<td>7</td>
<td>1.84%</td>
</tr>
<tr>
<td>Median ($25-$100MM)</td>
<td>900</td>
<td>6</td>
<td>1.88%</td>
</tr>
</tbody>
</table>

Sources: S&P LCD, The Deal, and PACER

Smaller sized DIPs continue to reflect the opportunity for higher pricing relative to larger financings, with DIPs greater than $100 million in Q2 reflecting slightly higher overall pricing/ shorter term relative to the same period in 2012.
# Section 363 Sales

Seventeen (17) Section 363 sales were completed during the Second Quarter, 2013.

<table>
<thead>
<tr>
<th>Target</th>
<th>Buyer</th>
<th>Industry</th>
<th>Deal Value ($ in millions)</th>
<th>Date Completed</th>
<th>Deal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orchard Supply Hardware Stores Corp. - eight stores</td>
<td>Great American Group LLC</td>
<td>Real Estate</td>
<td>---</td>
<td>6/28/13</td>
<td>Liquidator Great American Group won the auction to acquire eight stores from Orchard Supply Hardware Stores Corp.</td>
</tr>
<tr>
<td>Highway Technologies Inc. - Minnesota branch</td>
<td>SSJS Inc.</td>
<td>Transportation</td>
<td>5.6</td>
<td>6/27/13</td>
<td>Stalking-horse bidder SSJS Inc. won the auction to acquire Highway Technologies Inc.’s Minnesota branch with a $5.6 million offer.</td>
</tr>
<tr>
<td>Coda Holdings Inc.</td>
<td>Fortress Investment Group LLC</td>
<td>Automotive; Manufacturing</td>
<td>26.3</td>
<td>6/25/13</td>
<td>Private equity firm and stalking-horse bidder Fortress Investment Group LLC won the auction to acquire Coda Holdings Inc. with a $26.275 million offer.</td>
</tr>
<tr>
<td>Loveland Essential Group LLC</td>
<td>RV34 LLC</td>
<td>Real Estate; Leisure - Recreation; Lodging</td>
<td>3.6</td>
<td>6/21/13</td>
<td>RV34 LLC won the auction to acquire Loveland Essential Group LLC with a $3.6 million bid.</td>
</tr>
<tr>
<td>Sno Mountain LP</td>
<td>Montage Mountain Resorts LP</td>
<td>Real Estate; Leisure - Recreation</td>
<td>5.1</td>
<td>6/19/13</td>
<td>Montage Mountain Resorts LP acquired Sno Mountain LP with a $5.13 million bid.</td>
</tr>
<tr>
<td>Trendset Inc.</td>
<td>AFS Logistics LLC</td>
<td>Transportation</td>
<td>1.0</td>
<td>6/14/13</td>
<td>AFS Logistics, a transportation cost management solutions provider, based in Shreveport, La., purchased South Carolina-based Trendset Inc. via a 363 sale.</td>
</tr>
<tr>
<td>Woodcrest Country Club</td>
<td>Cherry Hill Land Associates LLC, First Montgomery Group</td>
<td>Leisure; Real Estate</td>
<td>10.1</td>
<td>5/24/13</td>
<td>Stalking-horse bidder Cherry Hill Land Associates LLC won the auction to acquire Woodcrest Country Club with a $10.1 million offer.</td>
</tr>
<tr>
<td>Big M Inc.</td>
<td>YM Inc.</td>
<td>Retail; Retail - Discount; Retail - Clothing</td>
<td>22.5</td>
<td>5/23/13</td>
<td>Stalking-horse bidder YM Inc. won the auction to acquire Big M Inc. with a $22.5 million offer.</td>
</tr>
<tr>
<td>Powerwave Technologies (Thailand) Ltd.</td>
<td>Teak Capital Partners Pte. Ltd.</td>
<td>Technology</td>
<td>---</td>
<td>5/22/13</td>
<td>Teak Capital Partners Pte. Ltd. won the auction to acquire Powerwave Technologies (Thailand) Ltd. from Powerwave Technologies Inc. with a $50,000 cash bid.</td>
</tr>
<tr>
<td>Rodeo Creek Gold Inc.</td>
<td>Waterton Global Resource Management Inc.</td>
<td>Metals; Metals - Gold</td>
<td>15.0</td>
<td>5/21/13</td>
<td>Waterton Global Resource Management Inc. won the auction to acquire Rodeo Creek Gold Inc. for $15 million.</td>
</tr>
<tr>
<td>Powerwave Technologies Inc.</td>
<td>Counsel RB Capital Inc.; Maynards Industries Ltd.; Branford Group</td>
<td>Technology</td>
<td>6.6</td>
<td>5/17/13</td>
<td>Counsel RB Capital LLC, Branford Group and Maynards Industries Ltd. agree to acquire Powerwave Technologies Inc. for $6.6 million.</td>
</tr>
<tr>
<td>Powerwave Technologies Inc. - patent portfolio</td>
<td>Gores Group LLC; P-Wave Holdings LLC</td>
<td>Technology</td>
<td>10.3</td>
<td>5/17/13</td>
<td>P-Wave Holdings LLC, a portfolio company of private equity firm Gores Group LLC, won the auction to acquire Powerwave Technologies Inc.’s patent portfolio with a $10.25 million bid.</td>
</tr>
<tr>
<td>Advanced Living Technologies Inc.</td>
<td>Southern TX SNF Realty LLC</td>
<td>Services; Healthcare</td>
<td>18.0</td>
<td>5/10/13</td>
<td>Stalking-horse bidder Southern TX SNF Realty LLC won the auction to acquire Advanced Living Technologies Inc. with an $16 million offer.</td>
</tr>
<tr>
<td>Hi-Way Equipment Co. LLC</td>
<td>Associated Supply Co.</td>
<td>Construction</td>
<td>39.5</td>
<td>5/10/13</td>
<td>Stalking-horse bidder Associated Supply Co. won the auction to acquire Hi-Way Equipment Co. LLC with a $39.5 million offer.</td>
</tr>
<tr>
<td>Entertainment Publications LLC</td>
<td>HSP-EPI Acquisition LLC</td>
<td>Business Communication; Advertising/ Marketing</td>
<td>17.6</td>
<td>4/22/13</td>
<td>Stalking-horse bidder HSP-EPI Acquisition LLC won the auction to acquire Entertainment Publications LLC with a $17.55 million offer.</td>
</tr>
</tbody>
</table>
## Section 363 Sales (continued)

<table>
<thead>
<tr>
<th>Target</th>
<th>Buyer</th>
<th>Industry</th>
<th>Deal Value ($ in millions)</th>
<th>Date Completed</th>
<th>Deal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TrustHouse Services Group Inc.</td>
<td>Elior SA</td>
<td>Financial Services</td>
<td>---</td>
<td>4/16/13</td>
<td>Gryphon Investors LP sold its portfolio company, TrustHouse Services Group Inc., to Elior SA.</td>
</tr>
<tr>
<td>Romano’s Macaroni Grill</td>
<td>J.H. Whitney Capital Partners LLC; Ignite</td>
<td>Food</td>
<td>55.0</td>
<td>4/9/13</td>
<td>Private equity-backed Ignite Restaurant Group acquired Romano’s Macaroni Grill from private equity firm Golden Gate Capital for approximately $55 million in cash.</td>
</tr>
</tbody>
</table>

*Source: The Deal*
Fifteen (15) Amend & Extend deals were announced during the Second Quarter, 2013.

<table>
<thead>
<tr>
<th>Name</th>
<th>Amend Deal Date</th>
<th>S&amp;P Loan Rating</th>
<th>Moody's Loan Rating</th>
<th>Pre Amend Spread</th>
<th>Spread Increase</th>
<th>Post Amend Spread</th>
<th>Amendment Fee</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valeant Pharmaceuticals International Inc.</td>
<td>6/19/2013</td>
<td>BB</td>
<td>Ba1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 months</td>
</tr>
<tr>
<td>DynCorp International LLC</td>
<td>6/5/2013</td>
<td>BB-</td>
<td>Ba2</td>
<td></td>
<td></td>
<td></td>
<td>12.5</td>
<td>24 months</td>
</tr>
<tr>
<td>Lennar Corp.</td>
<td>6/5/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25 months</td>
</tr>
<tr>
<td>SXC Health Solutions</td>
<td>6/3/2013</td>
<td>BBB-</td>
<td>Ba2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12 months</td>
</tr>
<tr>
<td>Ball Corp.</td>
<td>5/31/2013</td>
<td>BBB</td>
<td>Ba1</td>
<td></td>
<td></td>
<td>162.5</td>
<td>35</td>
<td>30 months</td>
</tr>
<tr>
<td>Hubbard Radio LLC</td>
<td>5/22/2013</td>
<td>B+</td>
<td>B1</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Churchill Downs Inc.</td>
<td>5/21/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60 months</td>
</tr>
<tr>
<td>Core-Mark Intern'l Inc.</td>
<td>5/16/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear Channel Communications Inc.</td>
<td>5/9/2013</td>
<td>B</td>
<td>Caa1</td>
<td>600</td>
<td>75</td>
<td>675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bristow Group Inc.</td>
<td>5/6/2013</td>
<td>BBB-</td>
<td>Ba1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16 months</td>
</tr>
<tr>
<td>Men's Wearhouse Inc.</td>
<td>4/16/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 months</td>
</tr>
<tr>
<td>Corrections Corporation of America</td>
<td>4/5/2013</td>
<td>BBB</td>
<td>Baa3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12 months</td>
</tr>
<tr>
<td>Rosetta Resources Inc.</td>
<td>4/5/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 months</td>
</tr>
<tr>
<td>Western Refining Inc.</td>
<td>4/5/2013</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 months</td>
</tr>
<tr>
<td>Griffon Corp.</td>
<td>4/1/2013</td>
<td>BB+</td>
<td>Ba1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 months</td>
</tr>
</tbody>
</table>

Source: S&P LCD

Summary Comparison

<table>
<thead>
<tr>
<th></th>
<th>Spread Increase</th>
<th>Amendment Fee</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2Q13</td>
<td>2Q12</td>
<td>2Q13</td>
</tr>
<tr>
<td>Mean</td>
<td>75</td>
<td>202</td>
<td>18</td>
</tr>
<tr>
<td>Median</td>
<td>75</td>
<td>175</td>
<td>13</td>
</tr>
</tbody>
</table>

The quarter witnessed too few amendments with disclosed economics to render a meaningful comparison.
Notes

- Sources: S&P, Moody’s, Fitch, The Deal, Thomson Reuters and others as indicated.
- The charts and graphs used in this report have been compiled by Navigant solely for purposes of illustration.

For further information on Restructuring services, please contact:
Edward R. Casas, Head of Navigant Capital Advisors, 847.583.1619, ecasas@ncacf.com

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Navigant Capital Advisors
Recent Representative Engagements by Industry Sector

**FINANCIAL SERVICES**
- **SageCrest II, LLC**
  - $750,000,000 Assets under Management
  - Fiduciary Oversight

**REAL ESTATE AND CONSTRUCTION**
- **610 LEX**
  - $118,000,000 Sale of senior notes secured by property located at 610 Lexington Avenue New York
  - Financial Advisor

**HEALTHCARE**
- **Steward Health Care System LLC**
  - $156,000,000 Sale of assets on behalf of
  - Financial Advisor, Chief Executive Officer, Chief Restructuring Officer

**ENERGY**
- **Bosque Power Company**
  - $240,600,000 Restructured Debt
  - Restructuring Advisor

**CORPORATE AND INDUSTRIAL**
- **Tensar Corporation**
  - $289,600,000 Capital Restructuring in connection with a consensual Plan of Reorganization

- **Jiffy Lube**
  - $4,500,000,000 of Assets
  - Financial Advisor to Unsecured Creditors Committee

- **MedCath Corporation (Nasdaq: MDTH)**
  - $690,600,000 Sale of assets on behalf of
  - Exclusive Financial Advisor

- **Varel International**
  - $200,000,000 of senior debt
  - Financial Advisor

- **Alexin, LLC**
  - $100,000,000 of subordinated debt
  - Financial Advisor

- **PTC**
  - $50,000,000 Capital Restructuring
  - Financial Advisor
NCA Restructuring and Distressed M&A Solutions Team

Key Contacts:

Edward R. Casas  
Senior Managing Director  
Head of Navigant Capital Advisors  
847.583.1619  
ecasas@ncacf.com

Robert E. Annas  
Managing Director  
Infrastructure Restructuring  
404.575.3824  
robert.annas@ncacf.com

Kim Brady  
Managing Director  
Industrials Restructuring  
847.583.1718  
kbrady@ncacf.com

Matt Caine  
Managing Director  
Healthcare Restructuring  
404.504.2010  
mcaine@ncacf.com

Gregory F. Hagood  
Managing Director  
Business Services & Healthcare Restructuring  
404.504.2017  
ghagood@ncacf.com

Jack D. Huber  
Managing Director  
Financial Services Restructuring  
847.583.1622  
huber@ncacf.com

Neil F. Luria  
Managing Director  
Financial Services Restructuring  
216.321.5606  
nluria@ncacf.com

Matthew E. Rubin  
Managing Director  
Real Estate Restructuring  
847.583.2804  
mrubin@ncacf.com

Raoul Nowitz  
Director  
Restructuring  
404.504.2017  
mowitz@ncacf.com

Comprehensive Scope and Proven Results …

Over the past decade, Navigant Capital Advisors (NCA) professionals have consistently delivered maximum recovery for our clients’ positions in distressed assets.

NCA has the experience and resources to help meet the challenges of today’s difficult markets. Our professionals bring significant transactional, operational, financial and legal acumen to all engagements and have relevant experience in a wide range of industries.

NCA professionals have significant experience both in and out of bankruptcy across a broad variety of industries and have a demonstrated track record of delivering superior results through a range of economic and financial cycles.

Having successfully completed over 400 mandates involving in excess of $95 billion of distressed sales and capital restructurings, the Navigant team has the demonstrated experience to assist its clients in overcoming today’s challenges.

NCA Value Proposition

Unlike other solution providers, NCA offers a full spectrum of restructuring and distressed M&A advisory services including:

» Operational and Financial Review & Assessment  
» Management Decision Support and Execution  
» Transaction Solutions

Operational and Financial Review & Assessment

» Strategic review and market positioning  
» Company core-competencies and SWOT analysis / competitor analysis  
» Organizational assessment and business plan development  
» Financial performance validation and forecasting  
» Cash management and controls / liquidity analysis / cash flow forecasting  
» Capital structure analysis

Management Decision Support and Execution

» Crisis and interim management  
» Cost structure reductions and active liquidity management  
» Management team selection and formulation of incentive programs  
» Execution of restructuring plans  
» Strategy support, negotiation leadership, and constituency management  
» Litigation and bankruptcy strategy formulation and oversight

Transaction Solutions

» Mergers, acquisitions and divestiture transactions, including distressed (§363, UCC-9, ABC)  
» Complex and distressed asset valuations  
» Rescue financings, recapitalizations, capital restructurings  
» Institutional debt and equity private placements  
» Secondary market debt purchases and sales