

Friday April 7, 2006

Bank Loans Deal Volume

	Current Year	2005 Comparables
Year to Date:	\$162.561 billion in 264 deals	\$90.604 billion in 197 deals
Quarter to Date:	\$12.008 billion in 22 deals	\$2.858 billion in 10 deals
Month to Date:	\$12.008 billion in 22 deals	\$2.858 billion in 10 deals
Week to Date:	\$12.008 billion in 22 deals	

Dollar-denominated credit facilities \$75 million or bigger. Sorted by bank meeting date, if available, otherwise closing date.

What To Watch Today

April 7

- 8:30 a.m. ET: Employment report, March (Bureau of Labor Statistics)
- 10 a.m. ET: Wholesale trade, February (Bureau of Labor Statistics)
- Advanced Accessory Systems, LLC Q4 earnings, conference call 9 a.m. ET
- 9 a.m. ET: CKE Restaurants, Inc. conference call
- 10 a.m. ET: Laidlaw International, Inc. conference call
- 11 a.m. ET: Wornick Co. conference call

April 10

- Treasury to auction \$14 billion 3-month bills, \$13 billion 6-month bills
- 10 a.m. ET: Pioneer Natural Resources Co. at IPAA conference

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Prospect News

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Dana, Dole, Burlington tweaked; Cebridge nets orders; TLC, Corel, Packaging set talk

By Sara Rosenberg

New York, April 6 – A number of deals came out with changes to their credit facilities Thursday, including **Dana Corp.** and **Dole Food Co. Inc.**, which both lowered pricing on their institutional loan debt, and **Burlington Coat Factory Warehouse Corp.**, which upsized its term loan while firming up pricing at the low end of talk.

Also in the primary, **Cebridge Connections Inc.** received billions in orders within hours of launching to investors Thursday, **TLC Health Care Services Inc.** and **Corel Corp.** released price talk on their credit facilities as they too launched deals during the session, and **Packaging Dynamics Corp.** came out with price talk on its recently launched deal as ratings emerged.

In secondary happenings, **Audatex**, **Venetian Macau Ltd.** and **National Renal**

Institutes Inc. all freed for trading, **Allied Waste Industries Inc.** headed higher as its repricing request was modified and **Spectrum Brands Inc.** headed lower on revised earnings guidance, rating downgrades and assumptions of future covenant relief requests.

Dana reverse flexed pricing on its \$700 million DIP term loan Thursday by 50 basis points due to strong investor interest, according to a market source.

The term loan is now priced with an interest rate of Libor plus 225 basis points, down from original price talk at launch of Libor plus 275 basis points, the source said.

Dana's \$750 million asset-based revolver was left unchanged in terms of pricing with the spread set at Libor plus 225 basis points and the unused fee set at 37.5 basis points.

Citigroup, Bank of America and

Continued on page 3

iPayment sets Tuesday launch for \$500 million credit facility

By Sara Rosenberg

New York, April 6 – **iPayment Holdings Inc.** has scheduled a bank meeting for Tuesday to launch its proposed \$500 million senior secured credit facility (B1/B), according to a market source.

Bank of America is lead arranger and bookrunner on the deal.

The facility consists of a \$50 million six-year revolver talked at Libor plus 250 basis points with a 50 bps commitment fee and a \$450 million seven-year term loan

talked at Libor plus 250 bps, the source said.

Under the original commitment letter, the company had said that the revolver tranche would be sized at \$25 million, but that it had the ability to upsized to \$50 million if sufficient commitments were obtained.

Proceeds from the credit facility, a proposed \$285 million senior subordinated notes offering and up to \$206 million of equity will be used to fund the company's public-to-private transaction, refinance some

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What to Watch: Week Ahead

Continued from page 1

- Shaw Group Inc. Q2 earnings, conference call 10 a.m. ET
- 10:55 a.m. ET: Swift Energy Co. at IPAA conference
- Cogeco Inc./Cogeco Cable Inc. Q4 earnings, conference call 11 a.m. ET
- Before market open: GenCorp Inc. Q1 earnings, conference call 11 a.m. ET
- 3:20 p.m. ET: KCS Energy, Inc. at IPAA conference
- 4:10 p.m. ET: Whiting Petroleum Corp. at IPAA conference
- 4:30 p.m. ET: Visteon Corp. at Morgan Stanley automotive conference

April 11

- Treasury to auction 4-week bills
- 8:45 a.m. ET: TRW Automotive Holdings Corp. at Morgan Stanley automotive conference
- C&D Technologies, Inc. Q4 earnings, conference call 9 a.m. ET
- Jean Coutu Group (PJC) Inc. Q3 earnings, conference call 9 a.m. ET
- 9:05 a.m. ET: Greif, Inc. at SunTrust institutional conference
- 9:05 a.m. ET: Prestige Brands Holdings, Inc. at SunTrust institutional conference
- 9:45 a.m. ET: Jarden Corp. at SunTrust institutional conference
- 9:45 a.m. ET: Oxford Industries, Inc. at SunTrust institutional conference
- 9:45 a.m. ET: Tempur-Pedic International Inc. at SunTrust institutional conference
- Hayes Lemmerz International, Inc. Q4 earnings, conference call 10 a.m. ET
- Levi Strauss & Co. Q1 earnings, conference call 10 a.m. ET
- 10:25 a.m. ET: Caraustar Industries, Inc. at SunTrust institutional conference
- 10:25 a.m. ET: Cross Country Healthcare, Inc. at SunTrust institutional conference
- 10:25 a.m. ET: Dollar General Corp. at SunTrust institutional conference

- Mosaic Co. Q3 earnings, conference call 11 a.m. ET
- 1:20 p.m. ET: K2 Inc. at SunTrust institutional conference
- 1:20 p.m. ET: O'Charley's Inc. at SunTrust institutional conference
- 2 p.m. ET: United Auto Group, Inc. at Morgan Stanley automotive conference
- 3 p.m. ET: Lear Corp. at Morgan Stanley automotive conference

April 12

- 8:30 a.m. ET: International trade, February (Census Bureau, Bureau of Economic Affairs)
- Treasury to auction 10-year TIPS
- 7:30 a.m. ET: ResCare, Inc. at SunTrust institutional conference
- 9:35 a.m. ET: Copano Energy, LLC at IPAA conference
- 12:30 p.m. ET: Ford Motor Co. at Morgan Stanley automotive conference
- 1:20 p.m. ET: Radiation Therapy Services, Inc. at SunTrust institutional conference
- 2 p.m. ET: Fidelity National Financial, Inc. at SunTrust institutional conference
- 4:05 p.m. ET: Spansion LLC Q1 earnings, conference call 4:30 p.m. ET

April 13

- 8:30 a.m. ET: Business inventories, February (Census Bureau)
- 8:30 a.m. ET: Import and export prices, March (Bureau of Labor Statistics)
- 8:30 a.m. ET: Initial claims (Department of Labor)
- 8:30 a.m. ET: Retail sales, March (Census Bureau)
- Bond Market Association recommends early close
- 2 p.m. ET: MedQuest, Inc. conference call

iPayment sets Tuesday launch for \$500 million credit facility

Continued from page 1

existing debt and provide for working capital.

Under the public-to-private proposal, Gregory S. Daily, iPayment's chairman and chief executive officer, and Carl A. Grimstad, iPayment's president, formed

iPayment Holdings to purchase the company from stockholders at a price of \$43.50 per share in cash.

The transaction, which is expected to be completed in the first half of 2006, is subject to financing, regulatory approvals,

stockholders approval and other customary conditions.

iPayment is a Nashville, Tenn.-based provider of credit and debit card-based payment processing services.

Dana, Dole, Burlington tweaked; Cebridge nets orders; TLC, Corel, Packaging set talk*Continued from page 1*

JPMorgan are the lead banks on the \$1.45 billion 24-month debtor-in-possession facility (B3/BB-), with Citi the left lead.

Originally the DIP was supposed to have a tenor of 18 months but was recently amended to extend the term to 24 months.

Dana already borrowed the \$700 million DIP term loan on March 30 and used the proceeds to refinance its pre-bankruptcy revolver and to pay other pre-bankruptcy obligations, as well as for working capital and general corporate expenses.

In connection with this U.S. DIP transaction, Dana Canada is getting a \$100 million Canadian revolver with an interest rate of Libor plus 225 basis points.

Dana is a Toledo, Ohio, engineer, manufacturer, supplier and distributor of systems and components for vehicle manufacturers.

Dole cuts spread

Also on the flex front, Dole Food's reduced pricing on its term loan B and pre-funded letter-of-credit facility Thursday by 25 basis points, according to a market source.

The \$875 million covenant-light term loan B (Ba3/B+) and the \$100 million pre-funded letter-of-credit facility (Ba3/B+) were both reverse flexed to Libor plus 175 basis points from original price talk at launch of Libor plus 200 basis points, the source said.

Dole's \$1.3 billion credit facility also contains a \$325 million asset-based revolver with an interest rate of Libor plus 150 basis points – unchanged since launch, the source added.

Deutsche Bank is the lead on the deal that will be used to refinance existing bank debt.

Dole is a Westlake Village, Calif., producer and marketer of fresh fruit, fresh vegetables and fresh-cut flowers.

Burlington upsizes

Burlington increased the size of its term loan B (B2/B/B-), firmed up pricing on the term loan at the tight end of talk and reverse flexed pricing on the first-in, last-out revolver tranche A+, according to a market source.

The term loan B is now sized at \$900 million, up from \$775 million as the company decided to downsize its bond offering to \$375 million from \$500 million to reduce cost of capital, and pricing firmed up at Libor plus 225 basis points, the low end of original price talk of Libor plus 225 to 250 basis points, the source said.

By the late-March commitment deadline, the term loan B was around two times oversubscribed, so some investors had already been expecting pricing to end up at the tight side of talk based on the amount of demand received.

In addition, the company lowered pricing on its \$65 million first-in, last-out revolver tranche A+ (NA/NA/BB-) to Libor plus 275 basis points from original price talk at launch of Libor plus

325 basis points, the source said.

Pricing on the company's \$735 million ABL revolver tranche (NA/NA/BB-) was left unchanged at Libor plus 150 basis points.

Bear Stearns and Bank of America are the joint lead arrangers and joint bookrunners on the \$1.575 billion credit facility.

Proceeds from the credit facility and the bonds will be used to help fund Bain Capital Partners LLC's leveraged buyout of the Burlington, N.J., retailer of branded apparel for \$45.50 per share in cash, or \$2.06 billion.

Cebridge gets good reception

Cebridge Connections had more than \$2 billion in orders toward its \$2.48 billion credit facility by late-day Thursday, as the company held a bank meeting earlier in the session to officially kick off syndication on the deal, according to a market source.

The facility consists of a \$200 million revolver, a \$2 billion term loan B and a \$280 million interim term loan.

Price talk has yet to emerge on the transaction; however, investors are expecting the term loan B to price somewhere between Charter Communications Inc.'s term loan that's talked at Libor plus 275 basis points and Mediacom's term loans that are talked at Libor plus 175 basis points, the source said.

Goldman Sachs and Credit Suisse are joint lead arrangers on the Cebridge credit facility, with Goldman the left lead.

Proceeds will be used to help fund the purchase of Cox Communications Inc.'s cable television systems.

GS Capital Partners and Oaktree Capital Management LLC are the majority investors in Cebridge and the primary equity partners in this transaction.

The acquisition, which was announced in 2005, is expected to close in the second quarter.

Cebridge is a St. Louis-based provider of cable television and internet access.

TLC talk emerges

TLC Health Care Services announced price talk on its \$190 million senior secured credit facility as the company held a bank meeting during Thursday's session, and syndication seems to off to a good start with the second-lien term loan tranche already oversubscribed, according to a market source.

The \$20 million five-year revolver (B2/B-) and the \$120 million six-year first-lien term loan (B2/B-) were launched with opening talk of Libor plus 300 basis points, the source said.

And, the \$50 million seven-year second-lien term loan (Caa1/CCC) was launched with opening talk of Libor plus 700 basis points and call protection of 102 in year one and 101 in year two, the source continued.

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Hughes Network, Transcontinental deals price; Spectrum Brands dives; funds see \$50 mln inflow

By Paul Deckelman and Paul A. Harris

New York, April 6 – **Hughes Network Systems LLC** and **Transcontinental Gas Pipeline** were each seen pricing upsized offerings Thursday. Also pricing was a quickly shopped eurodeal from Greek issuer TIM Hellas.

While Hughes Network and Transcontinental were each upsizing deals, **Burlington Coat Factory Warehouse Corp.**'s prospective offering was being fitted for a leaner size, with part of the original deal converted to bank debt.

In the secondary market, **Spectrum Brands Inc.**'s bonds nosedived after the maker of Rayovac batteries slashed its second-quarter profit forecast, citing weakness in its consumer battery business and escalating prices for zinc, a key battery component.

Traders saw a sharp divergence in the recently strong bonds of bankrupt San Jose, Calif.-based power generating company **Calpine Corp.**, with a number of its issues down – in sharp contrast to the notes of its Canadian financing subsidiary, which were solidly higher. Market participants speculated the movement may be linked to inter-creditor disputes being fought out in the bankruptcy courts.

And late in the day, participants familiar with the weekly high yield mutual fund flow numbers compiled by AMG Data Services of Arcata, Calif., told Prospect News that in the week ended Wednesday \$50 million more came into those funds than left them.

That stood in contrast to the \$200 million outflow seen the previous week, ended March 29. It was the second inflow in three weeks, something of a change, given that before that, there had been six straight weeks of outflows, dating back to early February. Over the last nine weeks, net outflows have totaled some \$881.3 million, according to a Prospect News analysis of

the AMG statistics.

Counting the latest week's result, inflows have now been seen in four weeks out of the 14 since the start of the year against 10 outflows, and net outflows have totaled \$1.25 billion in that time, down from the previous week's \$1.3 billion total, according to the Prospect News analysis.

\$1 billion-plus of deals

Issuance topped \$1 billion during the Thursday session as four issuers each priced a single high-yield tranche.

Of those, two were upsized and one was downsized. Three came on the tight end of price talk and the other priced on top of talk.

Hughes Network upsizes by \$125 million

Thursday's biggest amount of issuance came from Germantown, Md., broadband satellite networks and services company **Hughes Network Systems LLC**.

The company priced an upsized \$450 million issue of eight-year senior notes (B1/B-) at par to yield 9½%. The transaction was increased from a planned \$375 million.

The Bear Stearns and Morgan Stanley-led debt refinancing and general corporate purposes deal came at the tight end of the 9½% to 9¾% price talk.

MultiPlan multiple-times oversubscribed

Next came New York independent preferred provider organization MultiPlan Inc. with a downsized \$225 million issue of 10-year senior subordinated notes (Caa1/B-).

With Goldman Sachs & Co. and Banc of America Securities as joint bookrunners, the acquisition financing deal priced at par to yield 10 3/8%, on the tight end of the 10 3/8%-10 5/8% price talk. It was reduced from an original \$250 million size.

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The \$25 million by which the bond offering was downsized has been shifted to the company's bank deal.

An informed source said that the MultiPlan bond issue went extremely well, and was multiple-times oversubscribed.

A junk tranche from Southern Star

Elsewhere on Thursday **Southern Star**

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Dana lowers DIP pricing; Calpine Canada bonds climb as other issues fall

By Paul Deckelman and Sara Rosenberg

New York, April 6 – **Dana Corp.** lowered pricing on the \$700 million term loan tranche contained in its debtor-in-possession facility by 50 basis points Thursday, with market sources saying that the deal was well received.

Also on the automotive bank debt front, **General Motors Corp.**'s revolving credit facility loan paper – which had backtracked on Wednesday – was seen on the rebound Thursday.

Outside of the auto world, the bonds of **Calpine Corp.**'s Canadian financing subsidiary were seen sharply higher – while the bankrupt San Jose, Calif.-based power generating company's other issues were for the most part seen on the downside.

Following the lowered pricing on Dana's DIP facility, that term loan is now priced with an interest rate of Libor plus 225 basis points – down from original price talk at launch of Libor plus 275 bps, a source said.

Dana's \$750 million asset-based revolver was left unchanged in terms of pricing, with the spread set at Libor plus

225 bps and the unused fee set at 37.5 bps.

Citigroup, Bank of America and JPMorgan are the lead banks on the \$1.45 billion 24-month debtor-in-possession facility (B3/BB-), with Citi on the left.

The bankrupt Toledo, Ohio-based automotive components manufacturer's DIP was supposed to have a tenor of 18 months, but that was recently amended to extend the term to 24 months.

Dana already borrowed the \$700 million DIP term loan on March 30 and used the proceeds to refinance its pre-bankruptcy revolver and to pay other pre-bankruptcy obligations, as well as for working capital and general corporate expenses.

In connection with this U.S. DIP transaction, Dana Canada is getting a \$100 million Canadian revolver with an interest rate of Libor plus 225 bps.

A junk bond trader meantime saw Dana's 6½% notes due 2008 unchanged on the session, at 79.5 bid, 80.5 offered, while its 5.85% notes due 2015 were at 75 bid, 76 offered, and its 7% notes due 2028 were at 76.25 bid, 77.25 offered, each off half a point on the session.

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Paydowns and Draws

Houston Exploration repays some revolver borrowings with asset sale proceeds

By Sara Rosenberg

New York, April 6 – **The Houston Exploration Co.** repaid \$158 million of outstanding borrowings under its revolving credit facility using part of the proceeds from the sale of the Texas portion of its Gulf of Mexico assets, according to an 8-K filed with

the Securities and Exchange Commission Thursday.

Remaining proceeds from the sale were applied to working capital.

Houston Exploration is a Houston-based natural gas and oil company.

Propex repays some term debt, bridge loan with asset sale proceeds

By Sara Rosenberg

New York, April 6 – **Propex Fabrics Inc.** repaid \$11.5 million of its \$260 million term loan and its entire \$50 million bridge loan using proceeds from the sale

of its Roanoke, Ala., carpet-backing manufacturing facility to Aladdin Manufacturing Corp., according to an 8-K filed with the Securities and Exchange Commission Thursday.

Propex is an Atlanta-based producer of primary and secondary carpet backing, and a manufacturer and marketer of polypropylene synthetic fabrics used in other industrial applications.

Stroud Energy to repay some bank debt with IPO proceeds

By Sara Rosenberg

New York, April 6 – **Stroud Energy Inc.** plans on repaying some debt under its credit facility using proceeds from its

proposed initial public offering, according to an S-1 filed with the Securities and Exchange Commission Thursday.

Remaining proceeds from the IPO

will be used for general corporate purposes, including working capital.

Stroud Energy is a Fort Worth, Texas-based independent energy company.

Alpha Natural Resources to use revolver borrowings for coal mine purchase

By Sara Rosenberg

New York, April 6 – **Alpha Natural Resources Inc.** plans to draw on its revolving credit facility to fund the about \$23 million acquisition of certain coal mining oper-

ations in eastern Kentucky from Progress Fuels Corp., according to a company news release.

Closing on the acquisition is anticipated by May 1 and is subject to customary

closing conditions.

Alpha Natural Resources is an Abingdon, Va.-based Appalachian coal producer.

CIT establishes syndicated loan group, headed by Peter Connolly

By Sara Rosenberg

New York, April 6 – **CIT Group Inc.** has set up a new Connecticut-based syndicated loan group that will be headed by executive vice president Peter Connolly, who in addition to managing the business, will drive CIT's growth in the senior secured distressed debt market, according to a news release.

Connolly previously led GE Corporate Financial Services' distressed debt P&L. In this new position with CIT, he will be reporting to Rick Wolfert, vice chairman, commercial finance.

Roger Burns has been appointed executive vice president in the group and he will direct the growth and centralization of CIT's par participations in senior secured

loans.

Burns previously was at GE Capital, where he was responsible for the par business.

The loan group will also include managing directors Thomas McNicholas, Terence Sullivan, Vincent DeVito, Andrew Giangrave and Patrick Flynn, who will be responsible for originating, underwriting and portfolio management.

Hughes Network, Transcontinental deals price; Spectrum Brands dives; funds see \$50 mln inflow

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Central Corp. priced a \$200 million issue of 6¾% 10-year senior notes (Ba3/BB+) at 99.704 to yield 6.793%.

The notes priced at a 190 basis points spread to Treasuries, on top of price talk.

The issue was part of a \$430 million overall transaction that also included a \$230 million investment-grade issue from Southern Star Central Gas Pipeline Inc., the operating company, of 6% 10-year notes (Baa3/BBB-). Those came at a dollar price of 99.663 and with a 115 basis points spread to Treasuries.

Lehman Brothers and Credit Suisse ran the books for the debt refinancing deal from the Owensboro, Ky., natural gas transmission company.

Transcontinental upsizes

Tulsa-based regulated natural gas pipeline company **Transcontinental Gas Pipe Line Corp.** also upsized its deal, in its case to \$200 million from \$175 million.

The company priced the 10-year senior notes (Ba2/B+/BB+) at par to yield 6.4%.

The notes priced, high-grade style, at a 150 basis points spread to Treasuries, on the tight end of the Treasuries plus 150 to 162.5

basis points price talk.

Banc of America Securities and The Royal Bank of Scotland were joint book-runners for the general corporate purposes and capital expenditures deal.

Spectrum plunges on guidance

Back among the established issues, Spectrum Brands's bonds "got bush-whacked," a trader said, while another agreed that the notes "got walloped" after the Atlanta-based maker of flashlight batteries and a wide range of other consumer products – including electric shavers, lawn and garden care products, pet supplies, and household insecticides – issued sharply lower guidance, causing Standard & Poor's to cut its credit ratings.

A trader saw Spectrum's 8½% senior subordinated notes due 2013 slide to 85.5 bid, 86.5 offered from Wednesday's levels around 93 bid, 94 offered, while its 7 3/8% subs due 2015 swooned to 81 bid, 82 offered, down from 87 bid, 88 offered previously.

Another trader, while seeing the bonds lower across the board, saw a slightly more

conservative fall, with the 8½s at 86.5 bid, down from 90.25 bid, 92.25 offered, while the 7 3/8s were at 82.75 bid, down from 84.25 bid, 86.25 offered at the opening.

But at another desk, a trader said the 8½s were down a full eight points at 85.5 bid, 86.5 offered, while the 7 3/8s were half a dozen points lower at 81 bid, 82 offered.

"The news came out at 7 a.m. (ET), and the bonds began falling precipitously," he said.

The bonds backtracked in line with a steep fall in its New York Stock Exchange-traded shares, which collapsed \$5.99 (27.86%) to \$15.51. Volume of 9.1 million shares was around 12 times the usual turnover.

The bond and shareholders ran up the white flag after the company predicted that it would record second-quarter earnings of between zero and five cents per share – well down from its own guidance, released at the beginning of the year, calling for earnings of between 35 cents and 40 cents per share, excluding special items. Wall Street also bought into those original higher estimates, with analysts on average predicting 37 cents per share of income.

Dana, Dole, Burlington tweaked; Cebridge nets orders; TLC, Corel, Packaging set talk

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This second-lien term loan was presold to investors prior to the bank meeting, leading to oversubscription by the time of the launch, the source added.

UBS and Bank of America are the joint lead arrangers on the deal that will be used to repay existing debt.

TLC Health Care is a Lake Success, N.Y.-based provider of home health care services.

Corel sets talk

Corel announced price talk in the Libor plus 325 basis points area on both its \$90 million six-year term loan B and its \$75 million five-year revolver, as it too held a bank meeting Thursday to officially launch syndication on its new deal, according to a market source.

Morgan Stanley is the lead arranger and bookrunner on the \$165 million senior secured credit facility (B3/B).

Corel is getting the new credit facility in connection with its initial public offering of common stock. And, in conjunction with the IPO, the company is acquiring WinZip, a provider of compression utility software, from Vector Capital – Corel's current controlling shareholder.

Proceeds from the new credit facility, along with an estimated \$82.9 million of IPO proceeds, will be used to repay the company's existing credit facility debt, repay existing WinZip debt, and for general corporate purposes, which may include acquisitions.

The revolver is expected to be undrawn at closing.

Corel is an Ottawa, Ont., packaged software company.

Packaging Dynamics spread guidance

Price talk also surfaced on Packaging Dynamics' credit facility on Thursday morning as a term loan rating of Ba3 was announced by Moody's Investors Service, joining the BB- rating that Standard & Poor's assigned to the term loan on Wednesday, according to a market source.

With the finalization of these ratings, the company's \$90 million covenant-light term loan is being marketed to investors with initial price talk of Libor plus 225 to 250 basis points, the source said.

Meanwhile, the company's \$125 million asset-backed revolver, which is unrated by the agencies, is being marketed to investors with opening price talk of Libor plus 150 basis points, the source added.

Deutsche Bank and Jefferies are the lead banks on the \$215 million credit facility that was launched via a bank meeting on Wednesday, with Deutsche the left lead.

Proceeds from the new deal will be used to help fund Kohlberg & Co.'s acquisition of Packaging Dynamics.

Under the acquisition agreement, each outstanding share of Packaging Dynamics' common stock will be purchased for \$14 in cash by a wholly owned subsidiary of Kohlberg affiliate Thilmany LLC.

The transaction is valued at about \$268 million, including the assumption or refinancing of the company's outstanding debt as of Dec. 31, 2005.

The combined Packaging Dynamics and Thilmany business will have annual sales of about \$750 million, making it one of the 10 largest flexible packaging companies in the United States.

Closing on the acquisition is expected to be completed during the second quarter, subject to various customary conditions, including approval of the transaction by the company's stockholders and the expiration of the applicable waiting period under the Hart-Scott-Rodino Act.

Packaging Dynamics is based in Chicago, while Thilmany is based in Kaukauna, Wis.

Audatex breaks

Switching to the secondary, **Audatex** allocated its credit facility Thursday, with the \$240 million term loan B (B1/B+) freeing up for trading at 101¼ bid, 101¾ offered where it remained throughout the session, according to a trader.

The term loan B is priced with an interest rate of Libor plus 225 basis points and contains a step down to Libor plus 200 basis points under certain circumstances.

Audatex's facility also contains a €20 million term loan B (B1/B+) priced at Libor plus 225 basis points with a step down to Libor plus 200 basis points, a €165 million second-lien term loan (B3/B-) priced at Libor plus 550 basis points with call protection of 102 in year one and 101 in year two, a €80 million holdco PIK for life mezzanine tranche at Euribor plus 900 basis points with call protection of 102 in year one and 101 in year two, and a \$50 million revolver (B1/B+).

Goldman Sachs and Citigroup are joint lead arrangers on the deal, with Goldman the left lead.

Proceeds from the new credit facility will be used to help fund Solera Inc.'s acquisition of Automatic Data Processing Inc.'s Claims Services Group, which is being renamed as Audatex.

Under the purchase agreement, Solera is buying Audatex, a provider of automotive claims solutions, for \$975 million in cash. Solera was formed by industry veteran Tony Aquila, in partnership with GTCR Golder Rauner.

Solera is a San Diego-based consulting, outsourced services

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Dana, Dole, Burlington tweaked; Cebridge nets orders; TLC, Corel, Packaging set talk

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and technology solutions company focused on the auto physical damage insurance claims processing industry.

Venetian Macau frees to trade

Also hitting the secondary was **Venetian Macau's** credit facility, with the \$1.2 billion funded seven-year term loan quoted at 101½ bid, 102 offered and the \$700 million delayed-draw six-year term loan quoted at par ½ bid, 101 offered, according to a trader.

Both the funded and the delayed-draw term loans are priced with an interest rate of Libor plus 275 basis points.

Venetian Macau's \$2.5 billion senior secured credit facility (B1/BB-) also contains a \$500 million five-year revolver and a \$100 million equivalent local currency five-year term loan, with these tranches priced at Libor plus 275 basis points as well.

Goldman Sachs, Lehman and Merrill Lynch are the lead banks on the deal, with Goldman the left lead.

Proceeds from the deal will be used to fund design, development, construction and pre-opening costs for the company's development projects in Macao, including The Venetian Macao Resort-Hotel-Casino and other projects on the Cotai Strip, and to pay related fees and expenses.

Closing is expected to take place in the first quarter of 2006.

Venetian Macau is a subsidiary of Las Vegas Sands Corp, a Las Vegas-based hotel, gaming, resort and exhibition/convention company.

National Renal frees atop 101

National Renal's credit facility also broke for trading during market hours, with the \$250 million term loan B quoted at 101 bid, 101½ offered, according to a trader.

The term loan B is priced with an interest rate of Libor plus 225 basis points and contains 101 soft call protection. During

syndication, the term loan was upsized from \$218 million and pricing was reduced from Libor plus 300 basis points, with the addition of the soft call.

National Renal's \$300 million senior credit facility also contains a \$50 million revolver with an interest rate of Libor plus 300 basis points and a 50 basis point commitment fee. During syndication, the revolver was upsized from \$40 million.

RBC Capital Markets, Royal Bank of Scotland and Aries Management are the lead banks on the deal, with RBC the left lead.

Proceeds will be used to help fund the acquisition of more than 100 dialysis clinics from Fresenius Medical Care Holdings Inc. and Renal Care Group.

National Renal is a wholly owned subsidiary of Nashville, Tenn.-based DSI Holding Co. Inc., which is currently being invested in by equity firm Centre Partners.

Allied Waste trades up

Allied Waste's institutional bank debt headed higher in trading as the company reworked its repricing request so as to make it more palatable to lenders, according to a trader.

The company's term loan B and institutional letter-of-credit facility, which trade as a strip, closed the session quoted at par 1/8 bid, par 7/8 offered, up from Wednesday's levels of par bid, par ½ offered in trading, the trader said.

After the close Wednesday, news hit the market that the Scottsdale, Ariz., waste services company has changed its repricing request to a 25 basis point cut in spread as opposed to the original 50 basis point proposal.

Under the latest proposal, the term loan B and letter-of-credit facility will be repriced to Libor plus 175 basis points from current pricing of Libor plus 200 basis points. When the repricing amendment first launched, the company was looking to

bring pricing down to Libor plus 150 basis points.

There are some rumors going around that under the new proposal, the institutional bank debt will have the ability to step down to Libor plus 150 basis points under certain circumstances; however, this has yet to be confirmed, the trader said.

Since the repricing was first announced, market talk was that investor resistance was being felt and the proposal would need to be a bit juicier for lenders to get on board, which is what this recent change is intended to do.

And, with Thursday's rise in trading levels, the assumption is that lenders are a bit more pleased and more comfortable with the most recently proposed plan when compared to the original plan, the trader added.

Spectrum hit by lowered guidance

Spectrum Brands saw its bank debt head to lower ground as earnings guidance for the second quarter was revised significantly lower because of challenges in the battery business, leading to a downgrade by Standard & Poor's and speculation on covenant issues, according to a trader.

The bank debt dropped to par 5/8 bid, 101 1/8 offered from previous levels of 101¼ bid, 101¾ offered, the trader said.

On Thursday, the company said that it now expects second quarter fully diluted earnings per share in the range of \$0.03 to \$0.06 and pro forma diluted earnings per share in the range of \$0.00 to \$0.05. By comparison, in January, the company had offered guidance for second quarter pro forma fully diluted earnings per share in the range of \$0.35 to \$0.40.

Following this announcement, S&P lowered all of its ratings on Spectrum Brands, including the senior secured bank loan rating to B- from B, the senior subordinated debt rating to CCC from CCC+ and the corporate credit rating to B- from B.

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Resource Management Service to get bank financing via GE and RBS

By Sara Rosenberg

New York, April 6 – **Resource Management Service LLC** will obtain new bank financing via joint lead arrangers GE Capital Markets and RBS Securities to help fund its purchase of timberlands from International Paper Co., according to a market source.

Resource Management Service is buying 3.8 million acres of

forestlands located across the southern United States and 440,000 acres in Michigan from International Paper for about \$5 billion in cash and notes at closing.

Resource Management is a Birmingham, Ala., independent timberland investment-management firm.

Spectrum to talk with lenders as second quarter numbers seen falling below expectations

By Sara Rosenberg

New York, April 6 – **Spectrum Brands** plans to enter into discussions with its lenders due to anticipated lower-than-expected second quarter results, according to a company news release.

Currently, the company expects second quarter fully diluted earnings per share in the range of \$0.03 to \$0.06 and pro forma diluted earnings per share in the range of \$0.00 to \$0.05. By comparison, in January, the company had offered guidance for second quarter pro forma fully diluted earnings per share in the range of \$0.35 to \$0.40.

The company attributed the shortfall primarily to ongoing challenges in its consumer battery business.

In addition, the company cited com-

modity cost pressures, saying that spot prices of zinc, a primary component in the manufacture of batteries, have doubled over the last 12 months and have increased more than 10% in the last month.

However, Spectrum Brands is focusing on a number of initiatives to streamline operations and improve profitability.

In Europe, these initiatives include the closure of the Ellwangen, Germany, packaging center and the relocation of operations to the Dischingen, Germany, battery plant, the transfer of private label battery production to the company's manufacturing facility in China, and the previously announced resizing and restructuring of sales, marketing and support functions. As a result of these measures, headcount in

Europe will be reduced by 350, or about 24%. Total annualized savings are projected at \$33 million, when all actions are completed by the end of fiscal 2006.

The company's North American sales and marketing organization has also been restructured, flattening the reporting structure and rightsizing several support functions. These new actions are expected to generate an incremental \$7 million of annualized savings.

Spectrum Brands is an Atlanta-based consumer products company and a supplier of batteries and portable lighting, lawn and garden care products, specialty pet supplies, shaving and grooming and personal care products, and household insecticides.

Dana, Dole, Burlington tweaked; Cebridge nets orders; TLC, Corel, Packaging set talk

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In addition, Spectrum Brands revealed that it plans on entering into discussions with its lenders due to the anticipated lower-than-expected second-quarter results.

Although no specifics on these lender discussions were available, some market participants believe that the company will likely be looking for some sort of covenant relief, buy-side and sell-side sources told Prospect News.

Spectrum Brands is an Atlanta-based consumer products company and a supplier

of batteries and portable lighting, lawn and garden care products, specialty pet supplies, shaving and grooming and personal care products, and household insecticides.

GM bounces back

General Motors Corp.'s revolver rebounded during Thursday's market hours as better buying interest was seen in the name, according to a trader.

The Detroit-based automotive company's revolver closed out the day quoted

in the 96 bid, 97 offered context, up from Wednesday's levels of 94½ bid, 95½ offered, the trader said. By comparison, on Tuesday, the revolver was being quoted in the 95½ bid, 97 offered area.

The bank debt has been hopping around recently on continuous rumors that a refinancing may be soon to come and on the recent announcement that the company has reached an agreement to sell its 51% stake in its financing arm **General Motors Acceptance Corp.**

Mediacom seeks \$1.4 billion in term loan debt

By Sara Rosenberg

New York, April 6 – **Mediacom Communications Corp.**'s operating subsidiaries are in-market with a total of \$1.4 billion in new senior secured term loan debt (Ba3/BB-), according to a market source.

Mediacom LLC is working on a new \$650 million term loan B due 2015 that is talked at Libor plus 175 basis points, the source said. JPMorgan and Wachovia are the lead banks on this deal, with JPMorgan the left lead.

And, Mediacom Broadband LLC is working on a new \$750 million term loan C due 2015 – split into \$250 million of delayed-draw and \$500 million of funded – that is talked at Libor plus 175 bps, the source added. JPMorgan and Citigroup are the lead banks on this deal, with JPMorgan the left lead.

Proceeds from the new debt, which launched on April 4, will be used to refinance existing debt.

Mediacom is a Middletown, N.Y., acquirer and developer of cable systems.

Novelis asks lenders for more time to deliver results

By E. Janene Geiss

Philadelphia, April 6 – **Novelis, Inc.** said Thursday that it was asking its credit facility lenders for an extension of 31 days to conclude a review of its 2005 finances and finalize its third quarter financial results and amended quarterly reports for the past year.

“The primary cause of the requested extension is the continuing analysis of the entries to arrive at our opening balance sheet,” the company’s president and chief executive officer Brian W. Sturgell said in a letter to shareholders.

In November, the audit committee of

the company’s board of directors decided to delay the release of financial records to conduct the review and the company said it still is conducting that review.

“The analysis is an exceptionally complex undertaking that requires a detailed inventory and accounting of the businesses that were carved out of Alcan to establish the equity of the operations that now constitute Novelis,” Sturgell said.

“The analysis covers an abundance of spin-related capital and debt transactions required to form Novelis. The company is still in the process of analyzing these historical accounting records, a require-

ment for the completion of the financial review.”

The company said it recognizes that the additional time needed to complete the review will compress the time allowed for it to prepare its annual report on form 10-K for 2005.

Officials said it plans to schedule an early May update to share a more informed view regarding its form 10-K filing.

Novelis is an Atlanta-based maker of aluminum rolled products and recycler of aluminum cans.

Education Realty gets \$50 million term loan, \$100 million amended and restated revolver

By Sara Rosenberg

New York, April 6 – **Education Realty Trust Inc.** closed on a new \$50 million three-year senior unsecured term loan, and amended and restated its \$100 million three-year revolver, according to an 8-K filed with the Securities and Exchange Commission Thursday.

KeyBank acted as the administrative agent, bookrunner and lead arranger on the transactions, which were completed on March 30.

The term loan carries an interest rate of Libor plus 275 basis points.

The amended and restated revolver carries an interest rate that can range from Libor plus 135 to 200 bps, depending on leverage.

Education Realty Trust is a Memphis, Tenn., real estate investment trust focused on student housing communities located near university campuses.

National Beef in-talks with lenders to amend, waive covenants

By Sara Rosenberg

New York, April 6 – **National Beef Packing Co. LLC** is in discussions with its bank group about amending or waiving some covenants that become more restrictive at the company's fiscal-2006 year-end so as to avoid potential non-compliance, according to a 10-Q filed with the Securities and Exchange Commission Thursday.

At the fiscal year-end, the company will be subject to a maximum funded debt to EBITDA covenant of 4.50 to 1.00 for the quarter ended May 31, 4.25 to 1.00 for

the quarter ended Aug. 31 through Nov. 30, 4.00 to 1.00 for the quarter ended Feb. 28, 2007 through May 31, 2007 and 3.75 to 1.00 for the quarter ended Aug. 31, 2007 and thereafter.

The company will also become subject to a maximum senior secured funded debt-to-EBITDA ratio of 3.25 to 1.00 for the fiscal quarter ended May 31 and 2.75 to 1.00 for the fiscal quarter ended Aug. 31 and thereafter.

There will also be a minimum four-quarter rolling EBITDA of \$72 million for the quarter ended May 31, \$75 million for

the quarter ended Aug. 31 through May 31, 2007 and \$85 million for the quarter ended Aug. 31, 2007 and thereafter.

Lastly, the company will be subject to a minimum four-quarter rolling debt service coverage ratio of 2.00 to 1.00.

Until the fiscal year-end comes around, covenants that the company must comply with include a minimum four-quarter rolling EBITDA of \$50 million and a minimum borrowing base availability of at least \$25 million.

National Beef is a Kansas City-based meatpacker.

Avista amends loan, extending tenor, lowering rate, cutting size

By Sara Rosenberg

New York, April 6 – **Avista Corp.** amended its credit facility, extending the

term until April 5, 2011 from Dec. 16, 2009, lowering interest rates and reducing the size to \$325 million from \$350 million,

according to a company news release.

Avista is a Spokane, Wash.-based energy company.

Trident Exploration launches \$250 million of bank debt

By Sara Rosenberg

New York, April 6 – **Trident Exploration Corp.** held a lender meeting Thursday morning to launch its proposed \$250 million of new bank debt, according to a market source.

Credit Suisse is bookrunner on the deal.

The new debt is comprised of a \$100 million add-on to the company's existing \$325 million second-lien term loan and a new \$150 million unsecured term loan due November 2011, the source said.

The second-lien term loan add-on is priced at Libor plus 750 basis points, in-line with existing second-lien pricing. In fact,

most significant terms of the second-lien will remain the same, such as security, maturity date and call protection, though the covenants will be adjusted to accommodate the new debt.

The new unsecured loan is talked at Libor plus 950 bps all pay-in-kind until Dec. 31, at which point it will increase by 50 bps PIK per quarter. The unsecured loan will convert to cash pay once net debt to EBITDA is less than 4 times.

The unsecured loan will be callable at par until June 30, 2007. In 2008, the loan will carry a call premium of 103, dropping down to 102 in 2009, 101 in 2010 and par thereafter.

Investors have already pre-circled half of the new unsecured loan, the source added.

Proceeds from the new debt will be used for drilling and gas processing plants.

Based on a first quarter 2006 private placement of equity, Trident has an equity value of \$1.8 billion, backing the \$575 million of total debt.

Trident Exploration is a Calgary-based company focused on the discovery and commercial development of natural gas in coal resources in the Western Canadian Sedimentary Basin.

American Greetings plans bond tender, converts exchange, probably will sell bonds

By Paul Deckelman

New York, April 6 – **American Greetings Corp.** plans to celebrate its 100th year in business with an ambitious capital structure overhaul that company executives say will leave the venerable Cleveland-based maker of greeting cards, wrapping paper, party goods, calendars and other such “social expression” products in a position to fulfill its twin goals of investing more resources in its core cards business, as well as investing in its own stock through a continuing share buyback program.

To that end, it unveiled an ambitious multi-part plan Thursday that includes a tender for its existing 6.1% senior secured notes due 2028 – likely to be funded in part by a \$200 million issue of new notes – an enlargement and structural revision of its bank debt facility, an exchange offer for its existing convertible notes, and a reduction of its accounts receivable securitization program.

All told, the company’s chief executive officer, Zev Weiss, told analysts on a conference call following the release of its fiscal 2006 fourth quarter and year-end results, the company will put in place up to \$1 billion of new or amended financial instruments to replace \$875 million of existing debt instruments, and provide the company with additional capital for its share repurchases.

“The goal of our capital structure changes is to permit the investment in our card business, while simultaneously provid[ing] flexibility for potential return of capital to our shareholders,” Weiss said. “By accessing multiple capital markets during a very receptive time for debt issuers, we are opportunistically enhancing our capital structure to take advantage of favorable rates and terms.”

Weiss and the company’s chief financial officer, Michael J. Merriman, told analysts on the call that American Greetings plans to spend some \$75 million in the 2007 fiscal year that began on March 1, and additional monies over the next few years

to improve its cards business – the foundation of the century-old company’s activities, and still the source of more than 50% of its revenues. It will pour money into improving the design, production, display and promotion of its far-flung cards line, which includes everything from traditional birthday, holiday and get-well cards to cards for virtually any occasion.

“If we can drive point-of-sale increases, or win additional [market] share, or both, our investment will be a success,” Weiss declared. “I believe that a combination of great product, great merchandising and great marketing will drive increased point-of-sale, and a return in excess of our cost of capital.”

In order to do that, and to continue what Weiss called the company’s second strategy – to “more aggressively” invest in its stock “when we believe them to be trading at a discount to their intrinsic value,” the executives outlined the capital structure changes.

Plans tender for 6.1% notes

American Greetings will tender for its \$300 million of outstanding 6.1% notes. Although these are officially slated to mature on Aug. 1, 2028, they are putable back to the company by investors in the summer of 2008. The company cannot call them. Merriman said that “given the objective of extending our maturity structure, the possibility of a put in a couple of years and the combination of our cash position and the excellent bond market condition for issuers, we have decided to refinance this bond issue now.” The tender was launched Thursday and will expire in May. The CFO said that the company expects more than two-thirds of the bondholders to tender the bonds.

\$200 million notes to follow

He said that “over the next couple of

months,” the company anticipates issuing \$200 million of new 10-year senior unsecured notes, with the proceeds expected to be used to help repay the 6.1% notes, as well as other corporate purposes.

Although it is likely that this bond issue will be done – the company’s news release said that it would take place in the next two months – Merriman phrased it more conditionally, saying “if we elect to proceed with this financing.”

Exchange for convertibles

The company on Thursday also began an exchange offer for its outstanding \$175 million par value of 7% convertible subordinated notes that are slated to come due on July 15. The new notes being given to the convertibles holders in exchange for their old ones – which have a current market value of approximately \$275 million – have essentially the same terms, but will allow the company to settle the issue at maturity for a combination of stock and cash, rather than just for stock, as the current notes, like most older converts, are structured.

Merriman said the company – which would otherwise have to issue about 12.6 million new shares when the notes mature – anticipates a mixture of two-thirds cash and one-third stock for the total consideration – limiting the potential dilution of the company’s shares when the converts mature.

He said that assuming that all of the current convertibles are exchanged for the new notes, American Greetings will be able to settle those with a mixture of \$175 million of cash and the rest in stock, reducing the potential 12 million-plus share dilution of the current stock float by two-thirds.

New loans completed

Another leg of the financing plans – which has already been completed – enlarged and changed the structure of

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American Greetings plans bond tender, converts exchange, probably will sell bonds

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the company's senior credit facility, which had the effect of improving the company's liquidity substantially.

American Greetings increased the size of its revolving credit facility to \$350 million from \$200 million and put a new \$300 million term loan in place. The new revolver has a five-year life, thus extending the maturity beyond the old revolver's expiration date, while the term loan has a seven-year life.

Merriman said that the new term loan has a delayed drawdown feature, permitting the company to draw it down at any point over the course of the next year. He said that if the term loan is drawn amortization will be a minimal amount – 25 basis points of the principal amount due each quarter, with a bullet for the remaining roughly 93% that will be due in seven years.

Fewer receivables

He said that the company had, at the same time, reduced its accounts receivables securitization structure to \$150 million from \$200 million – a change which he said recognizes the reduced accounts receivables that the company is carrying as more of the retailers through whom it sells its cards and other products have shifted to scan-based trading – the use of the same bar-code technology that retailers have been using for years to ring up sales of most products and to keep track of their in-store inventories, to also – in theory – give a more accurate picture to vendors such as American Greetings

of just what goods are sold at which stores and in what quantities, making for easier, more accurate invoicing and stock replenishment.

“As the pool of eligible receivables has been reduced,” the CFO said, we have simply reduced the size of this form of financing to reflect that reduction.

Plans more stock buybacks

With its enlarged and improved capital structure, American Greetings intends to continue rewarding its shareholders, by buying back stock.

The company said that during the 2006 fourth fiscal quarter ended Feb. 28, it purchased 4.3 million shares of common stock for \$93.8 million. About \$51 million of that share repurchase spending represented the completion, in January, of a \$200 million stock buyback program that was begun in April 2005. The other roughly \$43 million of shares bought back during the just-completed quarter were part of a second \$200 million repurchase program announced in February.

The executives further said that the company bought back another \$52.8 million of stock, or 2.5 million shares, in March, at the start of its 2007 fiscal first quarter. Figuring the stock buybacks in February and March, it has repurchased about \$96 million of stock, or roughly 48% of the second repurchase program. Assuming the second repurchase program is completed, the company will have reduced its outstanding

shares by more than 30% since the beginning of the 2006 fiscal year in March 2005.

When asked by an analyst during the question-and-answer portion of the conference call whether the company had any plans for a debt pay down, the company executives did not directly address the question. They said that under the new structure, the company will likely have the \$200 million of new bonds outstanding and, depending on the level of share repurchases, it might have up to the full \$300 million of the term loan drawn, although Weiss said “that’s the big unknown at this point.” It will also likely have about \$50 million in letters of credit debt outstanding by the end of the current fiscal year.

Merriman said that the changes to the capital structure will cost the company \$10 million to \$15 million, which will mostly show up in the current quarter.

Weiss said that the company would not give out quarter-by-quarter earnings guidance because of the difficulty of figuring out per-share estimates given the ongoing stock buyback program and the convertibles exchange offer. For fiscal 2007, it is projecting earnings per share to be between 80 cents and \$1. The estimate includes the \$74 million investment expenditure in its card business, the completion of the second \$200 million of share repurchases, completion of the exchange offer for its convertibles, completion of its tender offer for the 6.1% senior notes and the issuance of the expected \$200 million of new 10-year notes.

Total amount of deals being marketed: \$57.5215 billion

APRIL

ALLEGHENY ENERGY SUPPLY CO. LLC: Conference call April 6; \$969 million credit facility; Citigroup; \$769 million five-year term loan talked at Libor plus 87.5 bps; \$200 million five-year revolver talked at Libor plus 87.5 bps, 20 bps commitment fee; repay term loan C; Monroeville, Pa., power producer.

CHARTER COMMUNICATIONS INC.: Bank meeting April 7; \$6.8 billion credit facility; JPMorgan, Bank of America and Citigroup; \$300 million revolver/term tranche; \$5 billion term loan due 2013 talked at Libor plus 275 bps; amended \$1.5 billion revolver; refinance existing Charter Communications Operating LLC senior secured credit facility; St. Louis-based broadband communications company.

EDUCATION MANAGEMENT CORP.: Late April/early May business; \$1.435 billion credit facility; Goldman Sachs and Credit Suisse joint bookrunners, with Goldman left lead, Merrill Lynch and Bank of America underwriters; \$1.185 billion term B; \$250 million revolver; help fund LBO by Providence Equity Partners and Goldman Sachs Capital Partners; Pittsburgh-based provider of private post-secondary education.

IPAYMENT HOLDINGS INC.: Bank meeting April 11; \$500 million senior secured credit facility (B1/B); Bank of America; \$450 million seven-year term loan talked at Libor plus 250 bps; \$50 million six-year revolver talked at Libor plus 250 bps, 50 bps commitment fee; help fund public-to-private transaction led by management; Nashville, Tenn., provider of credit and debit card-based payment processing services.

W&T OFFSHORE INC.: General syndication meeting in April; \$1.3 billion senior secured credit facility; TD Securities and Lehman Brothers, with TD left lead; \$500 million revolver; \$500 million term A; \$300 million term B; help fund the acquisition of substantially all of the Gulf of Mexico conventional shelf properties of Kerr-McGee Oil & Gas Corp.; Houston-based oil and natural gas company.

JUNE:

VALOR COMMUNICATIONS GROUP INC./ALLTEL CORP. WIRELINE: Up to \$4.2 billion credit facility; JPMorgan and Merrill Lynch; \$500 million five-year revolver talked at Libor plus 125 bps if rated Ba2/BB, Libor plus 150 bps if rated lower; up to \$500 million five-year term A talked at Libor plus 125 bps if rated Ba2/BB, Libor plus 150 bps if rated lower; up to \$2.8 billion

seven-year term B talked at Libor plus 150 bps if rated Ba2/BB, Libor plus 175 bps if rated lower; up to \$400 million five-year delayed-draw term loan C that will be available for four months talked at Libor plus 125 bps if rated Ba2/BB, Libor plus 150 bps if rated lower; fund merger of Alltel wireline business with Valor, term A and B to finance a \$2.4 billion dividend payment to Alltel and refinance debt, term C to fund possible, but unlikely, put of up to \$400 million of Valor's outstanding bonds, revolver for general corporate purposes; Central Arkansas-based wireline company.

UPCOMING CLOSINGS

ADVANSTAR COMMUNICATIONS INC.: \$75 million revolver (B2/B+) talked at Libor plus 250 bps; Credit Suisse and Goldman Sachs; refinance existing \$60 million revolver; New York-based media company.

AGA MEDICAL CORP.: \$240 million credit facility (B2/B+); Lehman and Citigroup, with Lehman left lead; \$215 million term B talked at Libor plus 250 bps; \$25 million revolver talked at Libor plus 250 bps; refinance debt and pay shareholder dividend; Golden Valley, Minn., developer and manufacturer of medical devices for use in cardiovascular applications.

AGY HOLDING CORP.: \$210 million senior secured credit facility; UBS; \$30 million five-year revolver (B2/B) talked at Libor plus 275 bps; \$135 million six-year first-lien term loan (B2/B) talked at Libor plus 275 bps; \$45 million seven-year second-lien term loan (Caa1/CCC+) talked at Libor plus 700 bps; help fund purchase by Kohlberg & Co. LLC; Aiken, S.C., producer of glass fiber yarns.

AIR EVAC LIFESTREAM: \$145 million senior secured credit facility; CIBC; \$35 million revolver talked at Libor plus 325 bps; \$110 million term loan talked at Libor plus 325 bps; refinance existing debt and fund a dividend to shareholders.

ALLIED WASTE INDUSTRIES INC.: Repricing term B and institutional letter-of-credit facility to Libor plus 175 bps from Libor plus 200 bps; JPMorgan; Scottsdale, Ariz., waste services company.

AMSTED INDUSTRIES INC.: \$725 million senior secured credit facility (B1/BB-); Citigroup sole lead arranger, Citigroup, Bank of America and General Electric Capital Corp. joint bookrunners, Citigroup administrative agent, Bank of America syndication agent; \$300 million revolver due April 2011 at Libor plus 200 bps; \$225 million term B due April 2013 at Libor plus 200 bps; \$200 million delayed-draw term B due April 2013 at Libor plus 200 bps; refinance existing bank debt, fund working capital needs and general

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corporate purposes, and finance a potential tender for or call of the company's 10¼% senior notes at or prior to their first optional redemption date on Oct. 15, 2007; Chicago-based diversified manufacturing company serving the railroad, vehicular and construction markets.

AUDATEX: New credit facility; Goldman Sachs and Citigroup, with Goldman left lead; \$50 million revolver (B1/B+); \$240 million term loan B (B1/B+) at Libor plus 225 bps, step down to Libor plus 200 bps; €220 million term loan B (B1/B+) at Libor plus 225 bps, step down to Libor plus 200 bps; €165 million second-lien term loan (B3/B-) at Libor plus 550 bps, call protection 102, 101; €80 million holdco PIK for life mezzanine tranche at Euribor plus 900 bps, call protection 102, 101; help fund Solera Inc.'s acquisition of Automatic Data Processing Inc.'s claims services group; provider of automotive claims solutions.

AUTONATION INC.: \$1.2 billion credit facility (Ba2/BB+/BB+); JPMorgan; \$600 million term loan at Libor plus 125 bps; \$600 million revolver at Libor plus 100 bps; help fund stock and bond tender offers; Fort Lauderdale, Fla., automotive retailer.

AVETA INC.: Expected close April 7 or April 10; \$300 million term loan (upsizing from \$272 million) repricing at Libor plus 225 bps from Libor plus 350 bps, with step down to Libor plus 200 bps if leverage falls below 1.75x; Bear Stearns; Hackensack, N.J., medical management company with operations in Puerto Rico, California and Illinois.

AWAS AVIATION HOLDINGS LLC: \$2.05 billion credit facility; JPMorgan; \$1.8 billion first-lien term loan at Libor plus 175 bps; \$250 million second-lien term loan at Libor plus 600 bps, call protection 102, 101; help fund purchase by Terra Firma from Morgan Stanley; Seattle-based aircraft leasing company.

BRESNAN COMMUNICATIONS LLC: \$600 million credit facility; Wachovia, Bank of New York, TD Securities, General Electric Capital Corp. and SG, with Wachovia left lead; \$150 million revolver (B1/B+) at Libor plus 225 bps; \$75 million term A (B1/B+) at Libor plus 225 bps; \$275 million term B (B1/B+) at Libor plus 200 bps; \$100 million second-lien term loan (B3/B-) at Libor plus 450 bps; refinance existing bank debt and fund a \$150 million dividend payment; Purchase, N.Y., broadband telecommunications provider.

BUCKEYE CHECK CASHING INC.: \$190 million credit facility; Bear Stearns and Royal Bank of Scotland joint lead arrangers, Bear bookrunner; \$20 million revolver (B); \$130 million term loan (B); \$40 million second-lien term loan (CCC+); help fund LBO by

Diamond Castle Holdings and management; Dublin, Ohio, provider of financial services to customers who need cash immediately.

BURLINGTON COAT FACTORY WAREHOUSE CORP.: \$1.7 billion senior secured credit facility; Bear Stearns and Bank of America; \$735 million ABL revolver (NA/NA/BB-) at Libor plus 150 bps; \$65 million tranche A+ first-in, last-out ABL revolver (NA/NA/BB-) at Libor plus 275 bps; \$900 million term B (B2/B/B-) at Libor plus 225 bps; help fund LBO by Bain Capital Partners LLC; Burlington, N.J., retailer of branded apparel at discount prices.

CAVALIER TELEPHONE LLC: \$200 million credit facility (B2); Wachovia and Jefferies Babson; \$185 million term loan talked at Libor plus 500 bps; \$15 million revolver talked at Libor plus 500 bps; refinance debt and fund dividend payment; Richmond, Va., provider of telecommunications services.

CARIBE INFORMATION INVESTMENT INC.: \$165 million credit facility (B1/B); Lehman and Bank of America joint lead arrangers and joint bookrunners, Lehman left lead, Wachovia documentation agent; \$155 million seven-year term loan at Libor plus 225 bps; \$10 million revolver at Libor plus 225 bps; help fund Welsh, Carson, Anderson & Stowe's buyout of Caribe from Verizon and Puerto Rico Telephone Co.; owner of interests in directories in Puerto Rico and the Dominican Republic.

CBRL GROUP INC.: \$1.25 billion senior secured credit facility (Ba2/BB+); Wachovia Securities; \$800 million seven-year term B talked at Libor plus 150 bps; \$200 million delayed-draw seven-year final maturity term loan talked at Libor plus 150 bps, 75 bps ticking fee; \$250 million revolver talked at Libor plus 150 bps, 25 bps unused fee; fund a modified Dutch auction tender offer common stock repurchase plan, refinance convertible debt and refinance revolver; closing on or before May 15; Lebanon, Tenn., operator and developer of restaurant and retail concepts.

CEBRIDGE CONNECTIONS INC.: \$2.48 billion credit facility; Goldman Sachs and Credit Suisse, with Goldman left lead; \$200 million revolver; \$2 billion term B; \$280 million interim term loan; help fund purchase of Cox Communications Inc.'s cable television systems; St. Louis-based provider of cable television and internet access.

CENDANT CAR RENTAL GROUP LLC (AVIS BUDGET CAR RENTAL LLC): \$2.375 billion credit facility (Ba2/BBB-/BBB-); JPMorgan and Deutsche Bank, with JPMorgan left lead; \$1.5 billion five-year revolver talked at Libor plus 150 bps; \$875 million six-year term loan talked at Libor plus 150 bps; help fund spinoff

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from Cendant Corp.; general-use car rental operator.

CENTRAL ILLINOIS ETHANOL: \$87.5 million eight-year first-lien term loan talked at Libor plus 900 to 1,000 bps; Credit Suisse; fund a 37 million gallon per year ethanol plant in Illinois; Canton, Ill.-based cooperative ethanol production facility.

COMPBENEFITS CORP.: \$155 million credit facility; Bank of America; \$145 million term B; \$10 million revolver; refinance essentially all of the company's debt and some preferred stock; Roswell, Ga., dental and vision benefits provider.

COMPSYCH CORP.: \$110 million senior secured credit facility; UBS; \$10 million five-year revolver at Libor plus 275 bps; \$100 million six-year term loan at Libor plus 275 bps; help fund LBO by Summit Partners; Chicago-based provider of fully integrated employee assistance programs, managed behavioral health and work-life services.

CONMED CORP.: \$250 million credit facility (Ba2/BB-); JPMorgan; \$100 million five-year revolver talked at Libor plus 175 bps; \$150 million seven-year term B talked at Libor plus 175 bps; refinance existing debt; Utica, N.Y., medical technology company.

COREL CORP.: \$165 million senior secured credit facility (B3/B); Morgan Stanley; \$90 million six-year term B talked at Libor plus 325 bps; \$75 million five-year revolver talked at Libor plus 325 bps; in connection with IPO; refinance debt and for general corporate purposes; Ottawa, Ont., packaged software company.

CR GAS STORAGE: \$1.05 billion credit facility; Bank of America; \$250 million revolver; \$525 million Canadian equivalent term loan; \$175 million U.S. term loan; \$100 million asset-sale term loan; help fund the purchase of EnCana Corp.'s natural gas storage business by Carlyle/Riverstone Global Energy and Power Fund.

DANA CORP.: \$1.45 billion 24-month debtor-in-possession facility (B3/BB-); Citigroup, Bank of America and JPMorgan; \$750 million asset-based revolver at Libor plus 225 bps, 37.5 bps unused fee; \$700 million term loan at Libor plus 225 bps; also \$100 million Canadian revolver for Dana Canada at Libor plus 225 bps; help fund working capital requirements; Toledo, Ohio, engineer, manufacturer, supplier and distributor of systems and components for vehicle manufacturers.

DJ ORTHOPEDICS INC.: \$400 million credit facility (Ba3/BB-); Wachovia; \$350 million seven-year term loan at Libor plus 150 bps; \$50 million revolver; fund purchase of Aircast Inc. from

Tailwind Capital and refinance existing bank debt; Vista, Calif., medical device company.

DOLE FOOD CO. INC.: \$1.3 billion credit facility; Deutsche; \$875 million covenant-light term B (Ba3/B+) at Libor plus 175 bps; \$325 million asset-based revolver at Libor plus 150 bps; \$100 million pre-funded letter-of-credit facility (Ba3/B+) at Libor plus 175 bps; refinance existing debt; Westlake Village, Calif., producer and marketer of fresh fruit, fresh vegetables and fresh-cut flowers.

DYNEGY INC.: \$600 million credit facility (Ba3/NA/BB-); Citigroup and JPMorgan; \$400 million three-year revolver; \$200 million six-year letter-of-credit facility; provide operating liquidity; Houston-based energy company.

GOLDEN GATE NATIONAL SENIOR CARE HOLDINGS LLC (BEVERLY ENTERPRISES): \$500 million credit facility; Credit Suisse; \$50 million five-year asset-based revolver talked at Libor plus 325 bps; \$350 million five-year term B talked at Libor plus 325 bps; \$100 million 5½-year second-lien term loan talked at Libor plus 800 bps; LBO financing; Fort Smith, Ark., provider of health care services.

GOODMAN GLOBAL INC.: Repricing term loan at Libor plus 175 bps from Libor plus 225 bps in connection with IPO; JPMorgan; Houston-based manufacturer of heating, ventilation and air conditioning products.

GPX INTERNATIONAL TIRE CORP.: \$160 million credit facility; Royal Bank of Scotland; \$50 million revolver; \$110 million term loan at Libor plus 250 bps; refinance debt and fund acquisitions; tire company.

GRAHAM PACKAGING CO. LP: \$150 million term B add-on at Libor plus 225 bps; Deutsche Bank; repay some revolver borrowings and some second-lien term loan debt; York, Pa., manufacturer of blow-molded plastic containers.

J.G. WENTWORTH LLC: \$200 million five-year senior secured term loan (B2/B) talked at Libor plus 375 bps; cross-marketed between the high-yield and loan markets; Deutsche Bank and Bear Stearns, with Deutsche left lead; one year of call protection followed by a call at 102, declining annually to 101 and then to par; fund a distribution to shareholders; Bryn Mawr, Pa., purchaser of structured settlements from individuals who have settled a claim with an insurance company.

JOHN MANEELY CO.: \$490 million credit facility; Goldman Sachs and Citigroup, Goldman left lead; \$200 million five-year

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asset-based revolver (Ba3/BB-) talked at Libor plus 150 bps; \$290 million seven-year term loan (B2/B) at Libor plus 300 bps; help fund LBO by The Carlyle Group; Collingswood, N.J., manufacturer of steel pipe, tubular products, plumbing and electrical fittings.

LBI MEDIA INC.: \$260 million senior secured credit facility (B1/B); Credit Suisse and Wachovia; \$150 million six-year revolver at Libor plus 150 bps; \$110 million six-year, covenant-light, term loan at Libor plus 150 bps; refinance existing revolver and for general corporate purposes; Burbank, Calif., owner and operator of Spanish-language radio and television stations.

LEAR CORP.: \$800 million in term loans; JPMorgan Chase Bank, Bank of America, Citibank and Deutsche Bank; \$600 million first-lien term B talked at Libor plus 300 bps; \$200 million second-lien term loan talked at Libor plus the 450 bps to 475 bps; refinance \$400 million term loan scheduled to mature in February 2007, fund the retirement of outstanding convertible senior notes and for general corporate purposes; Southfield, Mich., supplier of automotive interior systems and components.

LSP GEN FINANCE CO.: \$1.69 billion credit facility; Credit Suisse and Goldman Sachs; \$100 million five-year revolver (Ba3/BB-) at Libor plus 175 bps; \$950 million seven-year first-lien term loan (Ba3/BB-) at Libor plus 175 bps; \$40 million delayed-draw seven-year final maturity first-lien term loan (Ba3/BB-) at Libor plus 175 bps, 50 bps ticking fee; \$150 million eight-year second-lien term loan (B2/B) at Libor plus 350 bps, 101 call protection; \$450 million special letter-of-credit facility to be provided by Goldman and Credit Suisse; help fund acquisition of Duke Energy North America's entire fleet of power generation assets outside the Midwest.

MEDIACOM BROADBAND LLC: \$750 million term C (Ba3/BB-) due 2015 (\$250 million delayed draw, \$500 million funded) talked at Libor plus 175 bps; JPMorgan and Citigroup, with JPMorgan left lead; refinance; Middletown, N.Y., cable operator.

MEDIACOM LLC: \$650 million term B (Ba3/BB-) due 2015 talked at Libor plus 175 bps; JPMorgan and Wachovia, with JPMorgan left lead; refinance; Middletown, N.Y., cable operator.

MEG ENERGY CORP.: \$750 million credit facility (Ba3/BB); Lehman and Credit Suisse, with Lehman left lead; \$50 million three-year revolver at Libor plus 225 bps, 50 bps undrawn fee; \$350 million funded seven-year term B at Libor plus 200 bps; \$350 million two-year delayed-draw, with seven-year final maturity, term B at Libor plus 200 bps, 100 bps ticking fee, stepping up to 125 bps after one year then 150 bps at 1½-years; develop a SAGD

project; oil and gas company involved in oil sands development in northeast Alberta, Canada.

MR PROCESSING: \$80 million credit facility; Royal Bank of Scotland; \$10 million five-year revolver talked at Libor plus 350 bps; \$70 million six-year term loan talked at Libor plus 350 bps; help fund LBO by Great Hill Partners; Roswell, Ga., provider of outsourced foreclosure and bankruptcy processing services.

MULTIPLAN INC.: \$475 million credit facility (B2/B+); Goldman Sachs, Bank of America and Morgan Stanley; \$50 million revolver; \$425 million term loan at Libor plus 200 bps, step down to Libor plus 175 bps; help fund purchase by The Carlyle Group; New York-based independent Preferred Provider Organization network.

NATIONAL RENAL INSTITUTES INC.: \$300 million senior credit facility; RBC Capital Markets, Royal Bank of Scotland and Aries Management, with RBC left lead; \$50 million revolver at Libor plus 300 bps; \$250 million term B at Libor plus 225 bps, 101 soft call; help fund the acquisition of over 100 dialysis clinics from Fresenius Medical Care Holdings Inc. and Renal Care Group; Nashville, Tenn., health care services company.

NCI BUILDING SYSTEMS INC.: \$200 million term B add-on (Ba2/BB) at Libor plus 150 bps; Wachovia; help fund acquisition of Robertson-Ceco Corp.; Houston-based manufacturer and marketer of metal products and services for the nonresidential construction industry.

NPC INTERNATIONAL INC.: \$350 million credit facility (B1/B+); JPMorgan and Merrill Lynch, with JPMorgan left lead; \$275 million term B talked at Libor plus 225 bps; \$75 million revolver talked at Libor plus 225 bps; fund purchase by Merrill Lynch Global Private Equity; Lenexa, Kan., franchisee of Pizza Hut restaurants.

NUTRO PRODUCTS INC.: \$540 million credit facility (B1/B); JPMorgan and Lehman Brothers; \$100 million revolver talked at Libor plus 250 bps; \$440 million term B talked at Libor plus 225 bps; help fund a management-led buyout by Bain Capital Partners LLC; City of Industry, Calif., manufacturer of natural dog and cat foods.

PACER INTERNATIONAL INC.: \$95 million term loan add-on at Libor plus 175 bps; Deutsche; acquisition financing; Concord, Calif., provider of logistics and freight transportation services.

PACKAGING DYNAMICS CORP.: \$215 million credit facility; Deutsche Bank and Jefferies, with Deutsche left lead; \$90 mil-

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lion covenant-light term loan (Ba3/BB-) talked at Libor plus 225 bps to 250 bps; \$125 million asset-backed revolver talked at Libor plus 150 bps; help fund LBO of Packaging Dynamics Corp. by Kohlberg & Co. and merger with Thilmany; Chicago-based flexible packaging company.

PEGASUS SOLUTIONS INC.: \$120 million credit facility (B1/B); JPMorgan; \$110 million term loan talked at Libor plus 300 bps to 325 bps; \$10 million revolver at Libor plus 275 bps; fund purchase by Prides Capital Partners LLC and provide for working capital; Dallas-based provider of technology and services to hotels and travel distributors.

PINE PRAIRIE ENERGY CENTER LLC: \$320 million credit facility (B1/B+); SunTrust; \$50 million five-year revolver talked at Libor plus 250 bps; \$270 million term B due December 2013 talked at Libor plus 275 bps; fund the construction of Pine Prairie, a new salt cavern natural gas storage project in Evangeline Parish, La.

SENSATA TECHNOLOGIES: \$1.35 billion credit facility (B1/BB-); Morgan Stanley, Bank of America and Goldman Sachs; \$1.2 billion term B talked at Libor plus 200 bps; \$150 million revolver talked at Libor plus 200 bps; help fund \$3 billion LBO by Bain Capital LLC of Texas Instruments Inc.'s Sensors & Controls business; Attleboro, Mass., supplier of engineered sensors and controls to the appliance, climate control, industrial, automotive, lighting and aircraft markets.

THE SPORTS AUTHORITY INC.: \$975 million senior secured credit facility; Bank of America, Credit Suisse and Lehman, with Bank of America left lead; \$225 million seven-year covenant-light term B (B1/B) talked at Libor plus 250 bps; \$685 million five-year ABL revolver talked at Libor plus 150 bps, 25 bps commitment fee; \$65 million five-year first-in, last-out ABL revolver talked at Libor plus 300 bps; help fund LBO by Leonard Green & Partners LP and senior management; Englewood, Colo., full-line sporting goods retailer.

STANDARD PACIFIC CORP.: \$300 million in term loan debt (NA/NA/BB); Bank of America and JPMorgan; \$200 million seven-year term B talked at Libor plus 150 bps to 175 bps; \$100 million five-year term A; repay revolver debt; Irvine, Calif., home-builder.

TLC HEALTH CARE SERVICES INC.: \$190 million senior secured credit facility; UBS and Bank of America; \$20 million five-year revolver (B2/B-) talked at Libor plus 300 bps; \$120 million six-year first-lien term loan (B2/B-) talked at Libor plus 300

bps; \$50 million seven-year second-lien term loan (Caa1/CCC) talked at Libor plus 700 bps, call protection 102, 101; repay existing debt; Lake Success, N.Y., provider of home health care services.

TRIDENT EXPLORATION CORP.: \$250 million of new bank debt; Credit Suisse; \$100 million second-lien term loan add-on at Libor plus 750 bps; \$150 million unsecured term loan due November 2011 talked at Libor plus 950 bps PIK until Dec. 31 then increasing by 50 basis points PIK per quarter (converting to cash pay once net debt to EBITDA is less than 4x), callable at par until June 30, 2007, then 103, 102, 101, par, stepping down annually; for drilling and gas processing plants; Calgary-based company focused on the discovery and commercial development of natural gas in coal resources in the Western Canadian Sedimentary Basin.

TRIZEC PROPERTIES INC.: \$1.475 billion one-year interim loan at Libor plus 140 bps; Deutsche Bank; two six-month extension options at higher pricing; fund purchase of a high-quality Southern California office portfolio from Arden Realty Inc.; Chicago-based real estate investment trust that owns and manages office properties.

UPC BROADBAND HOLDING BV: \$3.8 billion equivalent institutional term loans; TD Securities and Bank of America, with TD left lead; \$1.9 billion equivalent term J due March 2013 containing dollar portion at Libor plus 200 bps and euro portion at Euribor plus 225 bps; \$1.9 billion equivalent term K due December 2013 containing dollar portion at Libor plus 200 bps and euro portion at Euribor plus 225 bps; refinance the existing €140 million term F-1, \$525 million term F-2, €550 million term H-1, \$1.25 billion term H-2 and €1 billion term G; Netherlands-based broadband company owned by Liberty Global Inc.

VENETIAN MACAU LTD.: \$2.5 billion senior secured credit facility (B1/BB-); Goldman Sachs, Lehman and Merrill Lynch, with Goldman left lead; \$500 million five-year revolver at Libor plus 275 bps; \$100 million equivalent local currency five-year term loan at Libor plus 275 bps; \$700 million delayed-draw six-year term loan at Libor plus 275 bps; \$1.2 billion funded seven-year term loan at Libor plus 275 bps; fund design, development, construction and pre-opening costs for the company's development projects in Macao, including The Venetian Macau Resort-Hotel-Casino and other projects on the Cotai Strip; expected close first-quarter 2006; subsidiary of Las Vegas Sands Corp., a Las Vegas-based hotel, gaming, resort and exhibition/convention company.

VENOCO INC.: \$650 million credit facility; Credit Suisse and Lehman Brothers joint lead arrangers on the second-lien term loan,

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Harris Nesbitt lead arranger on the revolver; \$350 million five-year second-lien term loan (Caa1/B-) talked at Libor plus 500 bps, step down to Libor plus 450 bps upon completion of an initial public offering; \$300 million three-year reserve-based revolver grid ranging from Libor plus 150 bps to 225 bps, commitment fee 37.5 bps to 50 bps, depending on utilization; fund the already completed acquisition of TexCal Energy LLC; Denver-based independent energy company.

WATER PIK TECHNOLOGIES INC.: \$290 million credit facility; ING Capital LLC and Credit Suisse; \$165 million seven-year first-lien term loan at Libor plus 225 bps; \$75 million 7½-year second-lien term loan at Libor plus 650 bps; \$50 million six-year revolver; help fund LBO by The Carlyle Group and Zodiac SA; closing expected late-April; Newport Beach, Calif., designer, manufacturer and marketer of swimming pool products and personal health care products.

WIDEPENWEST HOLDINGS LLC: \$720 million credit facility; Credit Suisse; \$60 million revolver (B2) talked at Libor plus 275 bps; \$510 million term B (B2) talked at Libor plus 275 bps; \$150 million second-lien term loan (B3) talked at Libor plus 550 bps, call protection 102, 101; help fund LBO by Avista Capital Partners from Oak Hill Capital Partners and ABRY Partners; Englewood, Colo., provider of cable television, high-speed internet and telephone services.

XEROX CORP.: \$1.25 billion unsecured five-year revolver; Citigroup and JPMorgan; replace existing \$1 billion secured credit facility; Stamford, Conn., document company.

ON THE HORIZON:

ACTIVANT SOLUTIONS INC.: New senior secured credit facility; Deutsche; help fund LBO by Hellman & Friedman LLC and Thoma Cressey Equity Partners from HM Capital Partners LLC; Austin, Texas, technology provider of business management solutions.

ARMOR HOLDINGS INC.: New all pro rata senior credit facility expected with price talk in the Libor plus 125 bps range; Wachovia; help fund acquisition of Stewart & Stevenson Services Inc.; Jacksonville, Fla., manufacturer and distributor of security products and vehicle armor systems.

CAL DIVE INTERNATIONAL INC.: \$1.063 billion senior secured credit facility; Bank of America; \$813 million term loan; \$250 million revolver; help fund acquisition of Remington Oil and Gas Corp.; Houston-based energy service company.

CHRISTIE/AIX: \$217 million senior credit facility; GE Commercial Finance; future capital equipment outlays contemplated under an ongoing 4,000-screen digital cinema rollout for which Christie/AIX is the funding vehicle and administrator; parent company Access Integrated Technologies Inc. is a Morristown, N.J., storage and electronic delivery service for owners and distributors of digital content to movie theaters and other venues.

CONSTELLATION BRANDS INC.: New credit facility; JPMorgan; fund purchase of Vincor International; Fairport, N.Y., producer and marketer of beverage alcohol brands.

CTC COMMUNICATIONS/CHOICE ONE COMMUNICATIONS: New senior secured credit facility; Goldman Sachs; help fund the acquisition of Conversent Communications Inc. and refinance existing debt; communications provider.

CUMULUS MEDIA PARTNERS LLC: New credit facility; Deutsche Bank, Merrill Lynch, Goldman Sachs and UBS, with Deutsche left lead; help fund the acquisition of the radio broadcasting business of Susquehanna Pfaltzgraff Co. for about \$1.2 billion; Atlanta-based radio company formed by Cumulus Media Inc., Bain Capital, The Blackstone Group and Thomas H. Lee Partners.

DEL MONTE CORP.: New senior debt financing; fund purchase of certain pet product assets, including the Milk-Bone dog snack brand, from Kraft Foods Global Inc.; San Francisco-based producer, distributor and marketer of branded and private label food and pet products.

ENERGYSOLUTIONS: Second-quarter business; \$230 million term B add-on; Citigroup; help fund acquisition of Duratek Inc.; Salt Lake City-based national energy services company.

ENESCO GROUP INC.: \$75 million five-year senior secured credit facility; LaSalle Business Credit LLC; replace existing facility; must close on or before April 30; Itasca, Ill., producer of fine gifts, collectibles and home decor accessories.

FAIRMONT HOTELS & RESORTS INC.: \$2.675 billion credit facility; Citigroup; back buyout by Kingdom Hotels International and Colony Capital; Toronto-based owner/operator of luxury hotels and resorts.

FERRO CORP.: \$700 million secured credit facility; National City Bank and Credit Suisse; \$300 million five-year multi-currency revolver; \$400 million six-year term loan; revolver for working capital and general corporate purposes and the term loan, if drawn,

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will be used to refinance existing debt; Cleveland-based producer of performance materials for industry.

GENERAL WILLIAM LYON: \$267 million five-year senior secured term loan initially priced at Libor plus 295 bps; Lehman; fund the tender offer for all outstanding shares of common stock of William Lyon Homes, a Newport Beach, Calif., designer, constructor and seller of single family detached and attached homes.

GENERAL MOTORS ACCEPTANCE CORP.: \$25 billion three-year asset-based revolver in two tranches, \$10 billion that is expected to be available before closing of the buyout and \$15 billion that is expected to be available at closing; Citigroup; in connection with purchase of General Motors Corp.'s 51% stake of the company by Cerberus Capital Management LP, Citigroup Inc. and Aozora Bank Ltd.; support ongoing business and enhance liquidity; Detroit-based provider of automotive financing, commercial finance, insurance and mortgage products, banking and real estate services.

INTEGRA TELECOM INC.: \$450 million first- and second-lien credit facility; CIBC World Markets Corp. sole lead arranger and co-bookrunner on the first lien with Goldman Sachs Specialty Lending Group LP co-bookrunner and administrative agent; Goldman Sachs Specialty Lending Group LP co-underwriting the second lien; fund purchase of Electric Lightwave Inc. from Citizens Communications and refinance existing bank debt; Portland, Ore., integrated communications carrier.

INTELSAT LTD.: Commitments for about \$2.88 billion in bank debt; Citigroup, Credit Suisse, Deutsche and Lehman joint lead arrangers and joint bookrunners, Citigroup administrative agent, Credit Suisse syndication agent; PanAmSat opco credit facility contains \$355.95 million five-year term A at Libor plus 175 to 250 bps based on leverage, \$1.6309 billion seven-year term B at Libor plus 225 bps with step down to Libor plus 200 bps if leverage is less than 4.5:1.0, and \$250 million six-year revolver at Libor plus 175 to 250 bps based on leverage; Intelsat opco credit facility contains \$344.5 million seven-year term B at Libor plus 175 bps if leverage greater than 3.5:1.0 and Libor plus 150 bps if leverage less than or equal to 3.5:1.0, and \$300 million six-year revolver at Libor plus 175 bps if leverage greater than 3.5:1.0 and Libor plus 150 bps if leverage less than or equal to 3.5:1.0; finance PanAmSat acquisition, refinance debt and for general corporate purposes; Pembroke, Bermuda, satellite company.

J. CREW GROUP INC.: \$295 million senior secured term loan; Goldman Sachs and Bear Stearns, Goldman left lead; in connec-

tion with IPO; redeem preferred stock and notes; New York-based apparel and accessories retailer.

KAISER ALUMINUM CORP.: \$250 million exit facility; J.P. Morgan Securities Inc. lead arranger, sole bookrunner and syndication agent, JPMorgan Chase Bank administrative agent, CIT Group/Business Credit Inc. co-arranger; \$200 million five-year revolver; \$50 six-year million term loan at Libor plus 550 bps; also \$200 million one-year debtor-in-possession facility at Libor plus 225 bps; Houston aluminum company.

THE KANSAS CITY SOUTHERN RAILWAY CO.: \$371.2 million credit facility; The Bank of Nova Scotia; \$246.2 million term loan; \$125 million revolver; refinance existing loan; Kansas City, Mo., freight transporter.

KERZNER INTERNATIONAL LTD.: Mid-2006 event; new senior secured credit facility; Deutsche Bank and Goldman Sachs, with Deutsche left lead; help fund LBO by an investor group that's led by management; Paradise Island, The Bahamas, developer and operator of destination resorts, luxury resort hotels and gaming properties.

LEGENDS GAMING LLC: New credit facility; CIT; help fund purchase of Bossier City, La., and Vicksburg, Miss., properties from Isle of Capri Casinos Inc.; owner and operator of casinos.

ONEIDA LTD.: \$170 million exit financing; Credit Suisse; \$80 million five-year revolver at Libor plus 150 bps, 25 bps commitment fee; \$90 million six-year term loan at Libor plus 700 bps with a step down to Libor plus 650 bps if leverage is between 3.5x and 4x and to Libor plus 600 bps if leverage is less than 3.5x, call protection 103, 101; Oneida, N.Y., maker of flatware, dinnerware, crystal and metal serving pieces for consumers and the food services industry.

PNA GROUP INC.: New credit facility; Bank of America; help fund buyout by Platinum Equity from TUI AG; Atlanta-based processor and distributor of steel products.

RESOURCE MANAGEMENT SERVICE LLC: New bank financing; GE Capital Markets and RBS Securities joint lead arrangers; help fund purchase of timberlands from International Paper Co.; Birmingham, Ala., independent timberland investment-management firm.

SEMGROUP LP: \$725 million senior credit facility; Bank of America; help fund purchase of TransMontaigne Inc.; Tulsa, Okla.,

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Bank Loan Ratings

S&P boosts J.C. Penney from junk

Standard & Poor's said it raised its long-term corporate credit and senior unsecured debt ratings on **J.C. Penney Co.** to BBB- from BB+.

The outlook is stable.

S&P said the upgrade reflects the steady and impressive progress management has made in re-establishing this company as a much more effective player in the moderately priced, intensely competitive department store sector.

S&P said it recognizes that Penney has made substantial progress in improving sales, margins and market share and that this has brought the department store and catalog/Internet operations to a satisfactory business profile.

Moody's lowers Reader's Digest outlook to negative

Moody's Investors Service said it changed the outlook for **The Reader's Digest Association, Inc.**'s Ba1 corporate family rating and Ba2 senior unsecured note rating to negative from stable and affirmed the existing ratings.

The change in the outlook reflects that the company's more aggressive financial policies could lead to higher-than expected leverage over the near to intermediate term, the agency said.

Moody's said it anticipated that the company would use free cash flow for a balanced combination of debt reduction and share repurchases and that the company would not complete any significant debt-financed acquisitions, noting that continued debt reduction is important to moderate the high level of business risk and low operating margins associated with the company's mature publishing assets.

The agency added it is also concerned that heightened competition is leading to weaker-than-expected operating performance in the Books Are Fun (BAF) business, which triggered a \$188 million goodwill write-down in the second fiscal quarter

and will challenge the company's ability to execute a turnaround in BAF's operating performance.

Moody's drops Whirlpool, lifts Maytag

Moody's Investors Service said it downgraded the long-term senior unsecured debt rating of **Whirlpool Corp.** and its subsidiaries to Baa2 from Baa1 and preferred stock rating to Ba1 from Baa3.

Whirlpool's commercial paper rating of P-2 was confirmed, the agency said. The outlook is negative.

Concurrently, Moody's said it upgraded **Maytag Corp.**'s senior debt to Ba2 from B2 and its corporate family rating to Ba2 from B1, ending the rating review from September 2005.

The agency said that the new bond ratings reflect the indirect benefit of the acquisition to bondholders, along with the lack of formal support from Whirlpool.

S&P ups Jorgensen

Standard & Poor's said it raised its corporate credit rating on **Earle M. Jorgensen Co. (EMJ)** to BB- from B+ and its senior secured rating to B+ from B and removed them from CreditWatch where they were placed with developing implications on Jan. 19, following the company's acquisition by Reliance Steel & Aluminum Co. (unrated).

The outlook is stable.

At the same time, S&P said it assigned its 3 recovery rating to the company's existing \$250 million of senior secured notes.

The agency added that the upgrade reflects improvement in EMJ's financial performance, expectation of continued good end markets and productivity enhancements.

S&P lowers Educate view to stable

Standard & Poor's said it revised its outlook on **Educate Inc.** to stable from positive.

At the same time, the agency noted it

affirmed its B+ corporate credit rating on the company.

The agency said the outlook revision reflects declining same-store sales, a drop in fourth quarter EBITDA and management's expectations of a further sales decline in the first half of 2006.

In addition, the company experienced integration problems in recently acquired territories that resulted in lower enrollments and unanticipated operating expenses, S&P said, adding that these factors overshadow its niche competitive position in its Sylvan Learning Center business, which accounts for roughly 80% of EBITDA.

Fitch lowers Visteon

Fitch Ratings said it downgraded **Visteon Corp.** as follows: issuer default rating to CCC from B, senior secured bank facility to B/RR1 from BB/RR1 and senior unsecured debt to CCC-/RR5 from B/RR4.

The downgrade reflects Fitch's view that Visteon will be challenged to produce positive free cash flow through 2008 due to the decline in Ford-related revenues, the extent of the company's restructuring activities over the near-term, Visteon's product portfolio and uncertain profitability of newly-booked business given the company's evolving cost structure.

Although liquidity in the short-term remains adequate, Visteon has stated that it is seeking an amended or replacement bank facility to meet maturities in 2006 and 2007, the agency noted.

Moody's cuts Burlington Coat Factory notes to Caa1

Moody's Investors Service said it changed **Burlington Coat Factory Warehouse Inc.**'s rating on its proposed senior unsecured notes to Caa1 from B3 and affirmed the corporate family at B2, \$900 million senior secured term loan at B2 and speculative-grade liquidity rating at SGL-2, following the company's announcement that it had revised the capital structure that will finance the pending acquisition of

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Bank Loan Ratings

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the company by affiliates of Bain Capital Partners.

The downgrade reflects the \$125 million increase in the senior secured term loan that is structurally ahead of the senior unsecured notes, the agency said.

In addition, the revised capital structure eliminates the proposed \$200 million of senior subordinated notes resulting in the senior unsecured notes becoming the most junior level of debt in the capital structure, Moody's added.

The outlook is stable.

The key drivers of the corporate family rating and stable outlook are the weak financial metrics of Burlington Coat Factory pro-forma for the transaction, the company's competitive position in the industry and financial policies which favor shareholders, Moody's said.

S&P cuts Spectrum Brands

Standard & Poor's said it lowered all of its ratings on **Spectrum Brands Inc.**, including its corporate credit rating to B- from B.

At the same time, the ratings were placed on CreditWatch with negative implications.

Affected ratings include the company's senior secured bank loan, lowered to B- from B and senior subordinated debt, dropped to CCC from CCC+.

The downgrade and CreditWatch placement follow the company's announcement that it is substantially lowering its earnings guidance for the second quarter of fiscal 2006 due to continued operating challenges in its battery segment and increasing commodity costs, the agency noted, adding that this represents the company's third earnings guidance revision since September 2005.

S&P cuts A&P

Standard & Poor's said it lowered the short-term rating on **The Great Atlantic & Pacific Tea Co.** (A&P) to B-3 from B-2 and revised the outlook to stable from

developing.

The long-term corporate credit rating is unchanged at B-, the agency said, noting that the revisions reflect A&P's announcement that it will pay a special dividend of about \$300 million to shareholders in April 2006.

S&P said the ratings on A&P reflect the company's weak profitability, difficult industry conditions in its U.S. markets and high lease-adjusted debt leverage.

Moody's drops A&P to SGL-3, view to negative

Moody's Investors Service said it changed **The Great Atlantic & Pacific Tea Co., Inc.**'s (A&P) outlook to negative from stable and lowered the company's speculative-grade liquidity rating to SGL-3 from SGL-1.

The company's debt ratings are affirmed, including its corporate family rating at B3 and senior unsecured notes at Caa1, the agency said.

The key driver of the downgrade in the speculative-grade liquidity rating and the change in outlook for the long term ratings to negative is the imminent reduction in what had been a substantial cash cushion to mitigate the risk of any future deterioration in cash flow generation, given that A&P has announced a special cash dividend of \$7.25 per share, or \$300 million, the agency said.

S&P ups Northwest Airlines EETCs

Standard & Poor's said it raised its ratings on three enhanced equipment trust certificates (EETCs) and placed on CreditWatch or revised the CreditWatch status of those and certain other ratings of **Northwest Airlines Corp.** (rated D) subsidiary Northwest Airlines Inc. (D).

The agency said these actions reflect restructuring agreements reached between Northwest and creditors.

S&P noted that the D corporate credit

ratings on Northwest Airlines reflect the companies' Sept. 14 bankruptcy filings.

The agency added that ratings on enhanced equipment trust certificates are on CreditWatch, except AAA rated, insured EETCs.

Moody's assigns Packaging Dynamics B1, loan Ba3, notes B3

Moody's Investors Service said it assigned a Ba3 rating to **Packaging Dynamics Corp.**'s (PDC) \$90 million senior secured term loan due 2012 and a B3 to its \$150 million senior subordinated notes due 2016.

In addition, Moody's said it assigned a B1 corporate family rating and a stable outlook.

Key factors influencing PDC's ratings and outlook include that subsequent to Thilmany LLC's acquisition of the former Packaging Dynamics, the combined company will have modest aggregate-scale, three product lines and operations in one geography, the agency said.

Fitch gives Transcontinental Gas Pipe Line notes BB+

Fitch Ratings said it rated **Transcontinental Gas Pipe Line Corp.**'s (TGPL) \$200 million of 6.40% senior notes due April 15, 2016 at BB+.

Fitch noted that the rating is on positive watch, as are the outstanding \$1.0 billion BB+ senior unsecured notes and BB+ issuer default rating of TGPL.

TGPL's rating incorporates its strong individual operating and financial profile, offset by the structural and functional ties between TGPL and its ultimate parent The Williams Cos. Inc., the agency added.

S&P rates American Greetings loan BBB-

Standard & Poor's said it assigned its

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Bank Loan Ratings

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BBB- bank loan rating and recovery rating of 2 to **American Greetings Corp.**'s new \$650 million senior secured credit facility.

The credit facility is comprised of a \$350 million five-year revolver and \$300 million multiple delay draw, seven-year term loan, the agency said.

S&P also said it affirmed its existing ratings on American Greetings, including its BBB- corporate credit rating.

The outlook is positive.

Affirmed ratings include the company's senior secured notes at BBB- and convertible notes at BB+.

S&P said the ratings on American Greetings reflect its strong market position and improving financial profile as a result of debt reduction, as well as ample liquidity, noting that these factors are tempered by the greeting card industry's mature and very competitive business conditions and the continued challenging retail climate.

S&P assigns Venoco loan B-, ups notes to B-

Standard & Poor's said it affirmed its B- ratings on **Venoco Inc.** and assigned its B- rating and 2 recovery score to the company's \$350 million five-year second-lien term loan.

The outlook is stable.

In addition, the agency raised the ratings for the company's \$150 million in outstanding senior unsecured notes are to B- from CCC+ as the notes will hold a second-priority-lien and rank pari passu with the new term loan in the interim period.

S&P added that ratings on Venoco reflect a geographically concentrated reserve base, poor recent track record of organically growing reserves, an ownership structure that may not be beneficial to bondholders and a highly leveraged financial profile.

Significant hedging of proved production volumes, a long reserve life, an established track record operating in core

regions and a high percentage of company-operated properties do not offset concerns, S&P said.

S&P rates Buckeye Check Cashing loans B, CCC+

Standard & Poor's said it assigned its B long-term counterparty credit rating to **Buckeye Check Cashing Inc.**

The outlook is stable.

The agency added it assigned a bank loan rating of B and a recovery rating of 2 to Buckeye's senior secured bank loan and revolving bank facility as well as a bank loan rating of CCC+ and a recovery rating of 5 to Buckeye's second-lien secured bank facility.

S&P said the ratings on Buckeye are based in part on the company's high leverage and low tangible equity.

Other considerations include Buckeye's demonstrated ability to generate significant earnings and cash flow, the low credit risk inherent in its product offerings and the favorable consumer demand for its dominant product, payday loans, the agency added.

S&P gives Sensata B+, loan BB-, notes B-

Standard & Poor's said it assigned its B+ corporate credit rating to **Sensata Technologies BV.**

The agency added a BB- senior secured rating and a 1 recovery rating were assigned to Sensata's proposed \$1.35 billion senior secured credit facility.

The agency noted it also assigned B- ratings to Sensata's European senior unsecured notes due 2016, to its U.S. senior unsecured notes due 2016 and to its U.S. senior subordinated notes due 2016.

The outlook is stable.

The ratings reflect Sensata's satisfactory business profile, though this is offset by the company's heavy debt burden, which results in a highly leveraged balance sheet and thin cash-flow protection, S&P said.

Moody's rates Sensata B2, loan B1, notes B2, Caa1

Moody's Investors Service said it assigned a first-time corporate family rating of B2 to **Sensata Technologies BV** in connection with its pending acquisition by an affiliate of Bain Capital, LLC.

Moody's said it also assigned ratings to the preliminary tranching of the proposed \$2.25 billion in debt financing as follows: B1 to Sensata's proposed \$1.35 billion senior secured credit facilities, expected to be split between U.S. and euro tranches, B2 to its proposed \$450 million senior unsecured notes and Caa1 to its proposed \$450 million of senior subordinated notes.

Moody's said it assigned a SGL-2 liquidity rating, reflecting good liquidity and expected covenant compliance. The outlook is stable.

The ratings reflect Sensata's high debt leverage, low interest coverage and relatively low free cash flow generation relative to debt levels, Moody's said.

S&P rates Mediacom Broadband loan BB-

Standard & Poor's said it assigned its BB- bank loan rating to the proposed \$750 million senior secured term loan C due 2015 of **Mediacom Broadband LLC** with a 3 recovery rating.

S&P said the recovery rating on Mediacom Broadband's existing \$650 million revolving loan and \$300 million term loan A was lowered to 3 from 2, based on the \$250 million increase in the overall facility and the lack of any corresponding increase in collateral value.

A BB- bank loan rating and 3 recovery rating were assigned to the proposed \$650 million senior secured term loan B due 2015 of Mediacom LLC, S&P added.

All other ratings on Mediacom and its subsidiaries, including the BB- corporate credit rating, were affirmed. The outlook is negative.

The ratings on Mediacom reflect

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Bank Loan Ratings

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mature revenue growth prospects for video services, competitive pressure on basic subscriber levels from direct-to-home satellite TV providers and a highly leveraged financial profile from largely debt-financed cable system acquisitions and rebuilding projects, S&P said.

Partly tempering these factors are the company's position as the still-dominant provider of pay TV services in its markets and solid revenue growth from high-speed data customer additions, the agency added.

S&P rates Nutro Products B-, loan B, notes, floaters CCC

Standard & Poor's said it assigned its B- corporate credit rating to **Nutro Products Inc.**

At the same time, S&P said it assigned its B bank loan ratings and 1 recovery ratings to the company's proposed \$440 million senior secured term loan B due 2013 and its \$100 million revolving credit facility due 2012.

The agency added it assigned its CCC rating to Nutro's proposed \$180 million floating-rate senior unsecured notes due 2013 and CCC rating to the proposed \$165 million senior subordinated notes due 2014.

The outlook is stable.

S&P said the ratings on Nutro reflect the firm's high leverage, narrow business focus, participation within a highly competitive industry and customer concentration.

S&P gives NPC, loan B+, notes B-

Standard & Poor's said it in a corrected rating to restate the rating on company's credit facility that it assigned its B+ corporate credit rating to **NPC International Inc.**

At the same time, S&P said it assigned its B+ rating to the company's planned \$350 million bank loan with a recovery rating of 3.

S&P said it also assigned its B- rating

to the company's \$200 million subordinated notes.

The outlook is negative.

S&P added that the ratings on NPC reflect the company's participation in the highly competitive pizza sector of the restaurant industry and a highly leveraged capital structure that limits cash flow protection.

S&P affirms Hawaiian Telcom

Standard & Poor's said it affirmed its ratings on **Hawaiian Telcom Communications, Inc.** and related entities, including its B corporate credit rating and removed the ratings from watch.

The outlook is negative.

Affected ratings include the company's secured bank loan at B, \$350 million senior notes due 2013 at CCC+ and \$150 million subordinated notes due 2015 at CCC+ as well as Verizon Hawaii Inc.'s \$150 million secured debentures at B.

The agency said the ratings for Hawaiian Telcom reflect significant operational and integration risk associated with transitioning to a stand-alone company, the heightened competitive environment for voice and data services in Hawaii and a highly leveraged financial profile.

Tempering factors include the company's position as the incumbent telephone provider in Hawaii and advanced network infrastructure, the agency added.

S&P: Citgo Petroleum unchanged

Standard & Poor's said its ratings on **Citgo Petroleum Corp.** (BB/stable) would remain unchanged following the announcement that the Lyondell-Citgo Refining L.P. joint venture would seek to sell its Houston refinery.

The credit implications of the divestiture would depend on the amount and use of proceeds, but reduction in the-scale of Citgo's refining capacity is viewed as unfavorable, the agency said, noting that the

ratings on Citgo are limited by those on the company's parent, **Petroleos de Venezuela SA** (B+/Watch developing).

S&P: Clayton Holdings unchanged

Standard & Poor's said its ratings on **Clayton Holdings, Inc.** (B+/stable) are not affected by the company's announcement that it completed its IPO, using proceeds to reduce debt and redeem preferred stock.

While the reduction in leverage to about 2.2 times from about 4 times is a positive, the ratings and outlook are affirmed in light of the company's still-high reliance on the creation and securitization rates of non-conforming mortgages and that this may be a temporarily low point of leverage, given the company's growth strategies, the agency said.

The outlook could be revised to positive if the company successfully weathers the expected slowdown in mortgage-backed volume and diversifies its cash flow base, lessening its exposure to the nonconforming mortgage market, S&P noted.

S&P: ON Semiconductor unaffected

Standard & Poor's said its ratings on **ON Semiconductor Corp.** (B+/stable) are not affected following the company's announcement of a definitive agreement to acquire a manufacturing facility in Gresham, Oregon from LSI Logic Corp. for \$105 million in cash.

At the same time, ON announced a proposed offering of about \$70 million in common stock, the agency noted.

S&P added that ON expects to employ substantially all of LSI's Gresham manufacturing employees to support LSI and also to support its own production in Gresham, noting that ON's common stock offering, if successful, would substantially offset ON's acquisition costs and its financial flexibility would largely be unaffected following the acquisition.

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Bank Loan Ratings

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Moody's cuts American Greetings view to negative, gives loan Ba1

Moody's Investors Service said it affirmed **American Greetings Corp.**'s Ba1 corporate family rating, but revised the company's outlook to negative from stable.

Moody's said it also assigned a Ba1 rating to American Greetings' new senior

secured credit facilities, consisting of a \$350 million revolving credit facility and a \$300 million multiple draw term loan facility.

The agency said it also affirmed the Ba1 rating on the company's senior notes and the Ba2 rating on its convertible subordinated notes.

The outlook revision reflects American Greetings' announcement that it may purchase additional shares beyond the current

\$200 million program that is currently in place and that the multiple draw term loan facility could accommodate this, implying the potential for an increase in leverage, Moody's said.

The ratings reflect American Greetings' leading and stable market position in the U.S. greeting card industry with 35% market share due to the stable demand for its products and long-standing customer relationships, the agency said.

Bank Loan Calendar

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midstream service company.

SOURCECORP INC.: \$250 million credit facility; Credit Suisse and UBS Securities; \$75 million revolver; \$175 million in term debt; help fund LBO by Apollo Management LP; Dallas-based provider of business process outsourcing solutions and specialized consulting services.

SUPERVALU INC.: General syndication launch in spring (agent meeting was Feb. 6); \$4 billion credit facility; Royal Bank of Scotland; \$2 billion revolver talked at Libor plus 150 bps, 40 bps undrawn fee; \$1.25 billion term A talked at Libor plus 150 bps; \$750 million term B; purchase of some Albertson's Inc. assets; Eden Prairie, Minn., supermarket operator.

THOMAS NELSON INC.: New credit facility; Credit Suisse; help fund buyout by InterMedia Partners VII LP; Nashville, Tenn., publisher and distributor of products emphasizing Christian, inspirational and family value themes.

TRANSMONTAIGNE PARTNERS LP: \$75 million senior credit facility; Bank of America; in connection with purchase of TransMontaigne Inc. by SemGroup LP, but Partners will remain a public company; Denver-based refined petroleum products services company.

WATSON PHARMACEUTICALS INC.: \$1.15 billion credit facility; CIBC; \$500 million five-year revolver at Libor plus 75 bps; \$650 million five-year term loan at Libor plus 75 bps; help fund purchase of Andrx Corp.; Corona, Calif., generic pharmaceutical company.

X-RITE INC.: \$220 million credit facility; Goldman Sachs; \$40 million revolver; \$120 million first-lien term loan; \$60 million second-lien term loan; help fund purchase of Amazys Holding AG; Grandville, Mich., provider of color measurement solutions comprised of hardware, software and services for the verification and communication of color data.

Bank Loan Market Data

BANK LOAN NEW DEAL SPREADS For 2/7/2006 to 4/6/2006

Moody's Rating	Revolver	TLA	Institutional	Term	Second lien
Ba1	-	-	-	-	-
Ba2	158 bps \$3.50 bln, 6 loans	-	163 bps \$0.35 bln, 2 loans	140 bps \$3.18 bln, 5 loans	-
Ba3	170 bps \$1.45 bln, 5 loans	125 bps \$1.40 bln, 2 loans	170 bps \$5.63 bln, 5 loans	175 bps \$2.02 bln, 4 loans	-
B1	242 bps \$1.49 bln, 17 loans	225 bps \$0.08 bln, 1 loans	225 bps \$4.58 bln, 12 loans	261 bps \$2.13 bln, 9 loans	-
B2	273 bps \$0.48 bln, 12 loans	-	238 bps \$2.33 bln, 6 loans	293 bps \$3.47 bln, 10 loans	525 bps \$0.23 bln, 2 loans
B3	275 bps \$0.83 bln, 2 loans	-	325 bps \$0.09 bln, 1 loans	225 bps \$0.70 bln, 1 loans	483 bps \$0.74 bln, 6 loans
Caa1	-	-	-	-	707 bps \$0.78 bln, 7 loans
Caa2	-	-	-	-	700 bps \$0.12 bln, 1 loans
NA	196 bps \$14.75 bln, 58 loans	296 bps \$0.93 bln, 3 loans	277 bps \$12.87 bln, 21 loans	271 bps \$9.25 bln, 25 loans	614 bps \$1.33 bln, 8 loans
Total	211 bps \$22.49 bln, 100 loans	227 bps \$2.41 bln, 6 loans	244 bps \$25.84 bln, 47 loans	253 bps \$20.74 bln, 54 loans	605 bps \$3.18 bln, 24 loans

YEAR AGO SPREADS For 2/7/2006 to 4/6/2006

Moody's Rating	Revolver	TLA	Institutional	Term	Second lien
Ba1	113 bps \$0.66 bln, 2 loans	113 bps \$0.67 bln, 2 loans	150 bps \$1.50 bln, 1 loans	-	-
Ba2	275 bps \$0.30 bln, 1 loans	-	-	175 bps \$0.75 bln, 1 loans	-
Ba3	168 bps \$2.14 bln, 7 loans	175 bps \$0.80 bln, 1 loans	163 bps \$3.46 bln, 3 loans	242 bps \$0.95 bln, 3 loans	-
B1	263 bps \$2.70 bln, 12 loans	258 bps \$1.30 bln, 3 loans	238 bps \$8.45 bln, 13 loans	270 bps \$0.82 bln, 5 loans	-
B2	283 bps \$0.67 bln, 9 loans	-	279 bps \$2.24 bln, 7 loans	286 bps \$2.10 bln, 8 loans	438 bps \$1.62 bln, 4 loans
B3	288 bps \$0.25 bln, 2 loans	-	325 bps \$0.53 bln, 1 loans	313 bps \$0.28 bln, 2 loans	597 bps \$1.31 bln, 8 loans
Caa1	-	-	-	-	675 bps \$0.34 bln, 4 loans
Caa2	-	-	-	-	963 bps \$0.29 bln, 2 loans
NA	226 bps \$6.97 bln, 37 loans	269 bps \$0.16 bln, 2 loans	311 bps \$4.59 bln, 20 loans	356 bps \$3.61 bln, 17 loans	621 bps \$0.95 bln, 12 loans
Total	233 bps \$13.68 bln, 70 loans	214 bps \$2.92 bln, 8 loans	272 bps \$20.78 bln, 45 loans	311 bps \$8.51 bln, 36 loans	620 bps \$4.50 bln, 30 loans

Spreads in basis points. Unweighted average. U.S. deals, dollar denominated, minimum facility size of \$75 million. Libor-based loans only. Date is meeting if available, otherwise earlier of date reported to Prospect News or settlement date. "Term" category is term loans not identified as term loan A, institutional or second lien tranches. Table excludes delayed draw, letter of credit and other facilities.

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Paul Deckelman.....High Yield Reporter Paul.Deckelman@prospectnews.com 718 471 0468	Kenneth Lim.....Convertibles Reporter Kenneth.Lim@prospectnews.com 617 577 5803	Elaine Rigoli.....Copy Editor Elaine.Rigoli@prospectnews.com 941 729 5958
Paul A. Harris.....High Yield Reporter Paul.Harris@prospectnews.com 618 978 4485	Matt Maile.....Chief Copy Editor Matt.Maile@prospectnews.com 405 340 6262	Ann Kaminski.....Production Ann.Kaminski@prospectnews.com
Sheri Kasprzak.....PIPE Reporter Sheri.Kasprzak@prospectnews.com 770 714 4994	Jennifer Chiou.....Copy Editor Jennifer.Chiou@prospectnews.com	Peter Heap.....Publisher, Editor Peter.Heap@prospectnews.com 718 788 4580
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