May 2015

To the Friends and Clients of SOLIC Capital Advisors (“SCA”):

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

In this edition, we provide our perspectives on the restructuring market during the first quarter of 2015 which include:

- During the first quarter, the big news for loan defaults was Caesars’ long-anticipated bankruptcy filing. According to Moody’s and S&P, default rates finished the first quarter at 1.9% and 1.7%, respectively. Moody’s expects the default rate to rise to 2.7%, while S&P is projecting a 2.5% default rate in 2015. Sectors to continue to watch for restructuring and distress in 2015 include energy, retail, hospitals and municipalities.
- Oil & Gas-related loans account for just 4.8% of the S&P Index, yet a significant 39.6% of the Index’s distressed ratio, which tracks the percent of performing Index loans trading at a yield of L+1,000 or higher. The burgeoning price of oil and its knock-on effect on energy companies has prompted a surge of interest from bargain hunters and those betting on a price rebound.
- Loan maturities across the Index are limited over the next several years. Many are of the view that defaults will crest somewhere between 2017-2019, which is when loan maturities start to climb, and regulatory pressure on banks and CLOs may well limit issuers’ refinancing options.
- Conditions at the end of 2014 in middle-market lending carried over into January 2015, as the middle market had a start to the year lower than in recent years. First-quarter middle-market volume among credits sized at $350 million or less was $8 billion, demonstrating healthy lending interest, yet was down 45% from the strong first quarter of last year. Arrangers are under intense regulatory pressure to lead only loans that will pass muster in shared national credit reviews.
- Investor protections in new U.S. junk bonds fell to the weakest level in at least four years as risky borrowers were able to continue to dictate terms to yield-starved investors. Of the 26 high-yield issues in February, 46.2% were covenant-lite bonds. In the middle-market, 30% of loans were covenant-lite, in line with the last three quarters of 2014.
- Regulators have urged banks to avoid putting debt of more than six times earnings before interest, taxes, depreciation and amortization, or EBITDA, on companies in most industries. Regulators have also pushed back on borrowing agreements that stretch out payment timelines or lack lender covenant protections. By close to the end of the first quarter of 2015, 21% of U.S. private-equity deals had been financed with leverage at or above levels regulators generally consider risky, according to S&P Capital IQ LCD. That was down from about 35% of deals that surpassed the risk level in the fourth quarter of 2014, and 60% in the third quarter.
- SOLIC Capital Advisors currently serves as financial advisor to Energy Future Holdings Corp. (the parent of TXU Energy, Luminant Generation, and Oncor Electric), a $6.2 billion revenue / $33 billion asset power generation and downstream delivery company. SOLIC is providing a variety of financial advisory and other services to the Company’s Chairman of the Board and other Disinterested Directors in connection with “Conflict Matters” as defined in and pursuant to the authority delegated to the Disinterested Directors pursuant to resolutions of the Company’s Board of Directors.

We welcome your comments and hope you find our SOLIConnect report informative.

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About SOLIC
SOLIC Capital Advisors, LLC (“SCA”) is a leading specialty investment bank providing merger & acquisition, restructuring, capital placement and valuation advisory services to companies, lenders, institutional investors, the legal community and other creditor constituencies. SCA is a subsidiary of SOLIC Holdings, LLC which includes: SOLIC Capital Advisors (financial advisory), SOLIC Capital Partners (principal investing), SOLIC Capital, LLC (FINRA registered Broker/Dealer), and SOLIC Capital Management (asset management services).

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1Q15 Perspectives

**Default and Distress Perspectives**
During the first quarter, the big news for loan defaults was Caesars’ long-anticipated bankruptcy filing. According to Moody’s and S&P, default rates finished the first quarter at 1.9% and 1.7%, respectively. Moody’s expects the default rate to rise to 2.7%, while S&P is projecting a 2.5% default rate in 2015. Sectors to continue to watch for restructuring and distress in 2015 include energy, retail, hospitals and municipalities. The stress in the energy sector is the biggest area for immediate opportunity.

Oil & Gas-related loans account for just 4.8% of the S&P Index, yet a significant 39.6% of the Index’s distressed ratio, which tracks the percent of performing Index loans trading at a yield of L+1,000 or higher.

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of total distressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>39.6%</td>
</tr>
<tr>
<td>Publishing</td>
<td>12.5%</td>
</tr>
<tr>
<td>Nonferrous Metals/Minerals</td>
<td>10.8%</td>
</tr>
<tr>
<td>Retailers (except food &amp; drug)</td>
<td>6.6%</td>
</tr>
<tr>
<td>Food Service</td>
<td>6.4%</td>
</tr>
<tr>
<td>Business Equipment &amp; Services</td>
<td>4.2%</td>
</tr>
<tr>
<td>Electronics/Electrical</td>
<td>4.0%</td>
</tr>
<tr>
<td>Lodging &amp; Casinos</td>
<td>3.8%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>2.1%</td>
</tr>
<tr>
<td>Health Care</td>
<td>1.8%</td>
</tr>
<tr>
<td>Automotive</td>
<td>1.7%</td>
</tr>
<tr>
<td>Chemicals &amp; Plastics</td>
<td>1.5%</td>
</tr>
<tr>
<td>All Telecom</td>
<td>1.5%</td>
</tr>
<tr>
<td>Steel</td>
<td>1.5%</td>
</tr>
<tr>
<td>Leisure Goods/Activities/Movies</td>
<td>0.9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.8%</td>
</tr>
<tr>
<td>Financial Intermediaries</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

*Source: S&P Capital IQ LCD*

The plunging price of oil and its knock-on effect on energy companies has prompted a surge of interest from bargain hunters and those betting on a price rebound. Oil rigs, shale companies and energy stocks have all suffered as a result of the slump in the oil price from more than $100 a barrel in September to below $50 earlier this year. Some investors, ranging from distressed debt specialists through traditional funds and private equity companies to hedge funds, believe markets have overshot and that the price of oil will rise. Others believe value is available from the current low price as it continues to take its toll on struggling companies. Certain investors are making a number of bets on the oil markets, looking to buy distressed debt in some
companies that have been downgraded below investment grade and also making particular bets on stocks, for instance that lower-cost, onshore producers with good access to pipelines performing better than offshore or remote higher-cost producers.

- **Dearth of Immediate Maturities**
  Loan maturities across the Index are limited over the next several years. As of March 27, 2015 the amount of S&P/LSTA Index loans due through year-end 2016 totaled $19.2 billion, or 2.4% of performing loans outstanding, down from $61.3 billion, or 9.1%, at the end of 2013. The amount of 2015 maturities is microscopic, at $200 million, or 0.02% of performing loans outstanding. Many of the view that defaults will crest somewhere between 2017-2019, which is when loan maturities start to climb, and regulatory pressure on banks and CLOs may well limit issuers’ refinancing options.

![Maturity Wall](source: S&P Capital IQ LCD)

- **Lending Perspectives**
  Ongoing cash-flow growth, along with attractive borrowing costs across the leveraged finance markets, has kept coverage ratios aloft. For example, the average ratio of EBITDA less capex to cash interest among publicly filing S&P/LSTA issuers reached a record high 3.56x in the fourth quarter, from 3.44x in the third quarter.

  Conditions at the end of 2014 in middle-market lending carried over into January 2015, as the middle market had a start to the year lower than in recent years. First-quarter middle-market volume among credits sized at $350 million or less was $8 billion, demonstrating healthy lending interest, yet was down 45% from the strong first quarter of last year. OCC and Federal Reserve supervised arrangers are under intense regulatory pressure to lead only loans that will pass muster in shared national credit reviews. The underwriting window, as a result, is narrower than it would normally be at this point in the cycle dampening volume.

  Investor protections in new U.S. junk bonds fell to the weakest level in at least four years as risky borrowers were able to continue to dictate terms to yield-starved investors, according to Moody’s Investors Service. Moody’s covenant-quality gauge, in which 5 indicates the weakest protections and 1 the strongest, measured 4.51 for bonds issued in February, up from 4.41 in January and surpassing the previous record of 4.43 in September 2014. Of the 26 high-yield issues in February, 46.2% were covenant-lite bonds that receive the weakest possible quality score, according to Moody’s. In the middle-market, about a quarter of loans in the
$350 million or less bucket were covenant-lite in the first quarter, roughly in line with the last three quarters of 2014 and down from a nearly 30% share in the year-ago period.

An effort by regulators to deter banks from financing takeovers with high levels of debt has negatively impacted the private-equity industry. After initially resisting, banks have lately been falling in line with guidance that regulators set in 2013, which sought to limit how much debt banks could extend for corporate takeovers. The shift is now negatively impacting private-equity firms, whose bread-and-butter business is debt-laden buyouts. Firms spent $17.1 billion buying U.S. companies as of late March 2015, the lowest dollar volume at this point in the year since 2012 and representing the fewest deals since 2010, according to data provider Dealogic. Loan volume, another measure of buyout activity, also declined. Approximately $26.5 billion in leveraged loans for U.S. private-equity buyouts and refinancings were issued in the quarter, an 82% decline over the same period in 2014 and the lowest level since 2009, according to Dealogic. The regulators have urged banks to avoid putting debt of more than six times earnings before interest, taxes, depreciation and amortization, or EBITDA, on companies in most industries. Regulators have also pushed back on borrowing agreements that stretch out payment timelines or lack lender covenant protections. By close to the end of the first quarter of 2015, 21% of U.S. private-equity deals had been financed with leverage at or above levels regulators generally consider risky, according to S&P Capital IQ LCD. That was down from about 35% of deals that surpassed the risk level in the fourth quarter of 2014, and 60% in the third quarter.

- **1Q15 SCA Case Highlight**
  SOLIC Capital Advisors currently serves as financial advisor to Energy Future Holdings Corp. (the parent of TXU Energy, Luminant Generation, and Oncor Electric), a $6.2 billion revenue / $33 billion asset power generation and downstream delivery company. SOLIC is providing a variety of financial advisory and other services to the Company’s Chairman of the Board and other Disinterested Directors in connection with “Conflict Matters” as defined in and pursuant to the authority delegated to the Disinterested Directors pursuant to resolutions of the Company’s Board of Directors. *Please see page 16.*
Distressed Market Indicators

**Comparative Default Rates**

According to Moody’s and S&P, default rates finished the first quarter at 1.9% and 1.7%, respectively.Heightened corporate default activity in the near-term is expected in the Oil & Gas sector. Moody’s expects the year-end default rate to rise to 2.7%, while S&P is projecting 2.5% at that time.

**U.S. Speculative Grade Default Rate versus Distressed Credit Ratio**

The amount of market distress continues to remain light. The S&P/LSTA Distressed Index Ratio ended the quarter at just 2.9%, compared to 2.5% at year-end 2014, the uptick reflective of an anticipated increase in energy sector credit stress.
Distressed Market Indicators (continued)

Average Bid Price of Bonds and Institutional Loans

Loans and bond prices continue to hold around par although Oil & Gas sector pricing declines having been witnessed in recent months. Certain market players are of the view that a bubble may burst within 18 or so months.

Volume of Loans and High-Yield Bonds

The volume of loans and bonds reached $178 billion in the first quarter, remaining inside the prior year’s period sum of $243 billion. This is due to lower CLO issuance, retail outflows, and higher new-issue clearing yields. While lower than the prior year, this continues to represent a significant level of issuance since 2009.
A total of 17 amend-to-extends were observed during the first quarter 2015, most notably in the Computers & Electronics and Services & Leasing sectors. Heightened A&E activity in the O&G sector, including the effects of upstream borrowing base redeterminations, are yet to be seen in reported A&E activity.

Amend & Extend activity continues to be spread across a number of sectors. A&E activity observed in the Computers & Electronics sector include CB Richard Ellis Services Inc., Rite Aid Corp., CH Robinson Worldwide Inc., while the Services & Leasing sector included Travel Lenders Group, Cypress Semiconductor and Summit Materials LLC.
Distressed Market Indicators (continued)

**Historical 2014-2016 Loan Maturity Wall**

The amount of loans due through year-end 2016 per the S&P/LSTA Leveraged Loan Index stands at just $19.2 billion, or 2.4% of performing loans outstanding, down from $61.3 billion, or 9.1%, at the end of 2013. This scarcity of near-term loan maturities is likely to continue to keep default rates low for at least the next 12 months absent any exogenous event.

**Current Loan Maturities by Year**

This chart represents a snapshot of current loan maturities by year per the S&P/LSTA Leveraged Loan Index. Strong borrower access to the capital markets has resulted in maturities continuing to be pushed out, with the market facing a significant level of refinancing need in the 2019-2021 timeframe.
Distressed Market Indicators (continued)

**DIP Financings**

![Graph of DIP financings with values ranging from $0B to $15B and numbers of financings from 40 to 100.](image)

*Note: 2Q14 surge due to Energy Future Holdings’ DIP issuance*

*Source: The Deal*

The number of DIP financings rose slightly to 54 during the first quarter 2015, with quarterly aggregate DIP volume largely in line with recent historical trends, outside of the notable EFH DIP in 2Q 2014.

**Section 363 Sales**

![Graph of section 363 sales with bars indicating number of sales from 0 to 80.](image)

*Source: The Deal*

Section 363 asset sale activity again remained stable during the First Quarter 2015. The abundance of capital has resulted in a lower overall level of reliance on distressed asset sales relative to the 2010-2011 timeframe, a period which witnessed a greater scarcity of capital and lenders demanding more certainty/rapid bankruptcy outcomes via the bankruptcy sale process.
Select Bankruptcies

452 companies (including their affiliates) with over $10 million of aggregate debt filed for bankruptcy during the First Quarter, 2015 across a variety of sectors. Caesars Entertainment, together with its numerous affiliated entities, was the standout bankruptcy during the quarter.

<table>
<thead>
<tr>
<th>Debtor Name</th>
<th>Petition Date</th>
<th>Liabilities</th>
<th>Assets</th>
<th>Industry</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleantech Corporation</td>
<td>3/17/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Energy</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>USA Synthetic Fuel Corporation</td>
<td>3/17/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Energy</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Assured Pharmacy, Inc.</td>
<td>3/5/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Pharmaceutical/Biotech, Health</td>
<td>Eastern District of Texas</td>
</tr>
<tr>
<td>University General Health System, Inc.</td>
<td>2/27/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Health, Hospital</td>
<td>Southern District of Texas</td>
</tr>
<tr>
<td>Saladworks, LLC</td>
<td>2/17/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Restaurant, Food &amp; Beverage</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Cache, Inc.</td>
<td>2/4/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Retail</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>SkyMall, LLC</td>
<td>1/22/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Advertising &amp; Marketing, Retail</td>
<td>District of Arizona</td>
</tr>
<tr>
<td>J &amp; B Partners Management, LLC</td>
<td>1/6/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>Less than 10,000,000</td>
<td>Restaurant, Food &amp; Beverage</td>
<td>Southern District of New York</td>
</tr>
<tr>
<td>HEI, Inc.</td>
<td>1/4/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Manufacturing, Health, Medical Device</td>
<td>District of Minnesota</td>
</tr>
<tr>
<td>WBH Energy, LP</td>
<td>1/4/2015</td>
<td>10,000,000 to 100,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Oil/Gas, Energy, Real Estate</td>
<td>Western District of Texas</td>
</tr>
<tr>
<td>American Spectrum Realty, Inc.</td>
<td>3/16/2015</td>
<td>100,000,000 to 500,000,000</td>
<td>100,000,000 to 500,000,000</td>
<td>Real Estate</td>
<td>Central District of California</td>
</tr>
<tr>
<td>Doral Financial Corporation</td>
<td>3/11/2015</td>
<td>100,000,000 to 500,000,000</td>
<td>10,000,000 to 100,000,000</td>
<td>Financial Services</td>
<td>Southern District of New York</td>
</tr>
<tr>
<td>Dune Energy, Inc.</td>
<td>3/8/2015</td>
<td>100,000,000 to 500,000,000</td>
<td>100,000,000 to 500,000,000</td>
<td>Oil/Gas, Energy</td>
<td>Western District of Texas</td>
</tr>
<tr>
<td>Cal Dive International, Inc.</td>
<td>3/3/2015</td>
<td>100,000,000 to 500,000,000</td>
<td>1 Billion to 5 Billion</td>
<td>Oil/Gas, Marine, Construction/Engineering</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>The Standard Register Company</td>
<td>3/12/2015</td>
<td>500,000,000 to 1 Billion</td>
<td>100,000,000 to 500,000,000</td>
<td>Business Services, Telecom/Cable</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Allied Nevada Gold Corp.</td>
<td>3/10/2015</td>
<td>500,000,000 to 1 Billion</td>
<td>500,000,000 to 1 Billion</td>
<td>Metals/Mining</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Quicksilver Resources Inc.</td>
<td>3/17/2015</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Oil/Gas</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Kroll Inc.</td>
<td>2/8/2015</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Business Services, Security, Consulting/ Legal/Accounting</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>RadioShack Corporation</td>
<td>2/5/2015</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Over 1 Billion, but less than 5 Billion</td>
<td>Retail, Computers &amp; Electronics</td>
<td>District of Delaware</td>
</tr>
<tr>
<td>Caesars Entertainment Operating Company, Inc.</td>
<td>1/15/2015</td>
<td>Over 5 Billion</td>
<td>Over 5 Billion</td>
<td>Entertainment/Recreation, Gaming</td>
<td>Northern District of Illinois</td>
</tr>
</tbody>
</table>

Source: Federal Judiciary
### Select Bankruptcies (continued)

#### Summary (incl. affiliated entities)

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Number of Filings (1Q15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000,000</td>
<td>812</td>
</tr>
<tr>
<td>$10,000,000 to $100,000,000</td>
<td>130</td>
</tr>
<tr>
<td>$100,000,001 to $500,000,000</td>
<td>55</td>
</tr>
<tr>
<td>$500,000,001 to $1 Billion</td>
<td>25</td>
</tr>
<tr>
<td>Over $1 Billion, but less than $5 Billion</td>
<td>69</td>
</tr>
<tr>
<td>Over $5 Billion</td>
<td>173</td>
</tr>
<tr>
<td><strong>Total Filings</strong></td>
<td><strong>1,264</strong></td>
</tr>
</tbody>
</table>

*Source: Federal Judiciary*
## Select DIP Financings

Ten (10) DIP financings over $25 million were announced during the First Quarter, 2015 across a variety of sectors.

<table>
<thead>
<tr>
<th>Debtor</th>
<th>Industry</th>
<th>DIP Date</th>
<th>Amount ($ millions)</th>
<th>Margin Over LIBOR</th>
<th>Term/Length of Agreement (months)</th>
<th>Upfront Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karmaloop Inc. *</td>
<td>Retail</td>
<td>3/23/2015</td>
<td>31</td>
<td>1,173</td>
<td>3</td>
<td>0.5%</td>
</tr>
<tr>
<td>GT Advanced Technologies Inc.</td>
<td>Electronics</td>
<td>3/13/2015</td>
<td>95</td>
<td>997</td>
<td>12</td>
<td>na</td>
</tr>
<tr>
<td>Chassix Holdings Inc.</td>
<td>Automotive</td>
<td>3/12/2015</td>
<td>250</td>
<td>900</td>
<td>9</td>
<td>2.4%</td>
</tr>
<tr>
<td>Allied Nevada Gold Corp. *</td>
<td>Metals</td>
<td>3/10/2015</td>
<td>78</td>
<td>1,173</td>
<td>12</td>
<td>na</td>
</tr>
<tr>
<td>NII Holdings Inc.</td>
<td>Telecommunication</td>
<td>3/6/2015</td>
<td>350</td>
<td>800</td>
<td>12</td>
<td>2.8%</td>
</tr>
<tr>
<td>Cal Dive International Inc.</td>
<td>Manufacturing</td>
<td>3/3/2015</td>
<td>120</td>
<td>625</td>
<td>10</td>
<td>3.0%</td>
</tr>
<tr>
<td>AP-Long Beach Airport LLC</td>
<td>Real Estate</td>
<td>2/20/2015</td>
<td>41</td>
<td>974</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Allen Systems Group Inc.</td>
<td>Technology</td>
<td>2/18/2015</td>
<td>40</td>
<td>600</td>
<td>na</td>
<td>1.0%</td>
</tr>
<tr>
<td>Altegrity Inc. *</td>
<td>Technology</td>
<td>2/8/2015</td>
<td>90</td>
<td>1,174</td>
<td>6</td>
<td>na</td>
</tr>
<tr>
<td>RadioShack Corp.</td>
<td>Retail</td>
<td>2/5/2015</td>
<td>285</td>
<td>650</td>
<td>12</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

* Implied margin over 3-month LIBOR as a result of fixed rate pricing

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

## Summary Comparison

<table>
<thead>
<tr>
<th></th>
<th>Margin over LIBOR</th>
<th>Term / Length of agreement (months)</th>
<th>Upfront Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Quarter 2015:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean ($100MM+)</td>
<td>744</td>
<td>11</td>
<td>2.43%</td>
</tr>
<tr>
<td>Median ($100MM+)</td>
<td>725</td>
<td>11</td>
<td>2.56%</td>
</tr>
<tr>
<td>Mean ($25-$100MM)</td>
<td>1,015</td>
<td>8</td>
<td>0.74%</td>
</tr>
<tr>
<td>Median ($25-$100MM)</td>
<td>997</td>
<td>9</td>
<td>0.74%</td>
</tr>
<tr>
<td><strong>First Quarter 2014:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean ($100MM+)</td>
<td>450</td>
<td>3</td>
<td>2.90%</td>
</tr>
<tr>
<td>Median ($100MM+)</td>
<td>475</td>
<td>3</td>
<td>2.90%</td>
</tr>
<tr>
<td>Mean ($25-$100MM)</td>
<td>896</td>
<td>7</td>
<td>2.11%</td>
</tr>
<tr>
<td>Median ($25-$100MM)</td>
<td>925</td>
<td>4</td>
<td>1.75%</td>
</tr>
</tbody>
</table>

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

Pricing during the quarter was notably higher for DIPs both in the $25-100 MM range and for DIPs of $100+ MM. Three smaller DIPs in different industry sectors were each priced at over 1,000 bps indicating a general view of lower competition from the DIP lending community for DIP financings under $100 MM.
## Section 363 Sales

Eighteen (18) Section 363 sales were completed during the First Quarter, 2015.

<table>
<thead>
<tr>
<th>Target</th>
<th>Buyer</th>
<th>Industry</th>
<th>Deal Value ($ in millions)</th>
<th>Date Completed</th>
<th>Deal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Capital Holdings LLC - Plantation Fashion Mall</td>
<td>EHOFDH Development LLC</td>
<td>Real Estate</td>
<td>$37.7</td>
<td>3/20/2015</td>
<td>The Encore Capital Management affiliate EHOFDH Development LLC agrees to acquire the U.S. Capital Holdings LLC Plantation Fashion Mall for $37.7 million.</td>
</tr>
<tr>
<td>C. Wonder LLC</td>
<td>Burch Acquisition LLC</td>
<td>Retail - Clothing retail</td>
<td>$2.7</td>
<td>3/19/2015</td>
<td>Rival suitor Spring Street Co. LLC agrees to acquire C. Wonder LLC’s intellectual property and assets with a $2.68 million offer.</td>
</tr>
<tr>
<td>C. Wonder LLC - Soho Lease</td>
<td>Spring Street Co. LLC</td>
<td>Retail</td>
<td>$1.7</td>
<td>3/19/2015</td>
<td></td>
</tr>
<tr>
<td>Aereo Inc. - equipment</td>
<td>Alliance Technology Solutions Inc.</td>
<td>Technology</td>
<td>$0.3</td>
<td>3/16/2015</td>
<td>Alliance Technology Solutions Inc. agrees to acquire Aereo Inc.’s equipment for $320,000.</td>
</tr>
<tr>
<td>Aereo Inc. - patents</td>
<td>RPX Corp.</td>
<td>Media</td>
<td>$0.2</td>
<td>3/13/2015</td>
<td>RPX Corp. agrees to acquire Aereo Inc.’s patents for $225,000.</td>
</tr>
<tr>
<td>Buccaneer Resources LLC</td>
<td>AIX Energy Inc.</td>
<td>Energy</td>
<td>$58.5</td>
<td>3/13/2015</td>
<td>AIX Energy Inc. is the stalking-horse bidder to acquire Buccaneer Resources LLC with a $58.48 million credit bid.</td>
</tr>
<tr>
<td>Hipcricket Inc.</td>
<td>ESW Capital LLC</td>
<td>Services; Telecom - Wireless</td>
<td>$8.3</td>
<td>3/13/2015</td>
<td>ESW Capital LLC agrees to acquire Hipcricket Inc. for $8.25 million.</td>
</tr>
<tr>
<td>Cache Inc.</td>
<td>Great American Group LLC</td>
<td>Retail - Clothing retail</td>
<td>$18.0</td>
<td>3/9/2015</td>
<td>Liquidator Great American Group LLC agrees to acquire the right to conduct Cache Inc.’s store closing sales for an undisclosed amount.</td>
</tr>
<tr>
<td>Tengion Inc.</td>
<td>RegenMedTX LLC</td>
<td>Healthcare; Biotechnology/ Pharmaceuticals</td>
<td>$1.5</td>
<td>3/6/2015</td>
<td>RegenMedTX LLC agrees to acquire Tengion Inc.’s assets for $1.5 million in cash.</td>
</tr>
<tr>
<td>dELI*a’s Inc. - intellectual property</td>
<td>Butterfly Retail Acquisition LLC</td>
<td>Retail</td>
<td>$2.5</td>
<td>2/24/2015</td>
<td>Butterfly Retail Acquisition LLC agrees to acquire dELI*a’s Inc.’s intellectual property with a $2.5 million cash offer.</td>
</tr>
<tr>
<td>Dendreon Corp.</td>
<td>Valeant Pharmaceuticals International Inc.</td>
<td>Healthcare; Biotechnology/ Pharmaceuticals</td>
<td>$415.0</td>
<td>2/23/2015</td>
<td>Seattle biotechnology company Dendreon Corp. agreed to a $415 million sale to stalking horse Valeant Pharmaceuticals International Inc.</td>
</tr>
<tr>
<td>ASIC Broward LLC - eight Florida restaurants</td>
<td>Yukon Broward LLC</td>
<td>Retail</td>
<td>$3.6</td>
<td>2/22/2015</td>
<td>ASIC Broward LLC, a Five Guys Burgers and Fries franchisee, has closed on the sale of its eight Florida restaurants to Yukon Broward LLC for $3.56 million.</td>
</tr>
<tr>
<td>Couture Hotel Corp. - two Las Vegas hotels</td>
<td>Armed Forces Bank NA</td>
<td>Leisure</td>
<td>$6.8</td>
<td>2/13/2015</td>
<td>Stalking horse bidder Armed Forces Bank NA agrees to acquire Couture Hotel Corp.’s two Las Vegas hotels with a $6.8 million credit bid.</td>
</tr>
<tr>
<td>HEI Inc. - Victoria, Minn assets</td>
<td>Industrial Asset Corp.</td>
<td>Manufacturing</td>
<td>$1.9</td>
<td>2/12/2015</td>
<td>Industrial Asset Corp. which does business as Biditup Auctions Worldwide and Maynards Industries Inc. agrees to acquire HEI Inc.’s Victoria, Minn assets for $1.88 million.</td>
</tr>
<tr>
<td>HEI Inc. - Tempe, Ariz assets</td>
<td>Cochlear Manufacturing Corp.</td>
<td>Manufacturing</td>
<td>$2.4</td>
<td>2/6/2015</td>
<td>Cochlear Manufacturing Corp. agrees to acquire HEI Inc.’s Tempe, Ariz assets for $2.41 million.</td>
</tr>
<tr>
<td>Meadow Lake Retirement Community</td>
<td>Evergreen Senior Living Properties LLC</td>
<td>Non profit organizations</td>
<td>$20.0</td>
<td>1/23/2015</td>
<td>Evergreen Senior Living Properties LLC is the stalking-horse bidder to acquire Meadow Lake Retirement Community from Sears Methodist Retirement System Inc. with a $20 million offer.</td>
</tr>
<tr>
<td>Mildred and Shirley L. Garrison Geriatric Education and Care Center</td>
<td>Knight Health Holdings LLC</td>
<td>Healthcare</td>
<td>$6.2</td>
<td>1/5/2015</td>
<td>Stalking-horse bidder Knight Health Holdings LLC, an acquisition vehicle of Ensign Group Inc., agrees to acquire Garrison Geriatric Education and Care Center from Sears Methodist Retirement System Inc. for $6.24 million.</td>
</tr>
</tbody>
</table>

Source: The Deal
Amend & Extend Deals

Seventeen (17) Amend & Extend deals were announced during the First Quarter, 2015, continuing a recent trend that over a majority of extensions were for a period in excess of 24 months.

<table>
<thead>
<tr>
<th>Name</th>
<th>Amend Deal Date</th>
<th>S&amp;P Loan Rating</th>
<th>Moody’s Loan Rating</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Foods Corp.</td>
<td>3/27/2015</td>
<td>NR</td>
<td>NR</td>
<td>9 months</td>
</tr>
<tr>
<td>Esterline Technologies Corp.</td>
<td>3/23/2015</td>
<td>NR</td>
<td>NR</td>
<td>49 months</td>
</tr>
<tr>
<td>Travel Leaders Group</td>
<td>3/19/2015</td>
<td>BB</td>
<td>B1</td>
<td>24 months</td>
</tr>
<tr>
<td>Cypress Semiconductor</td>
<td>3/13/2015</td>
<td>NR</td>
<td>NR</td>
<td>33 months</td>
</tr>
<tr>
<td>Summit Materials LLC</td>
<td>3/6/2015</td>
<td>BB</td>
<td>B2</td>
<td>38 months</td>
</tr>
<tr>
<td>Community Health Systems Inc.</td>
<td>2/27/2015</td>
<td>BB</td>
<td>Ba2</td>
<td>23 months</td>
</tr>
<tr>
<td>Genesee &amp; Wyoming Inc.</td>
<td>2/25/2015</td>
<td>BBB-</td>
<td>Ba2</td>
<td>10 months</td>
</tr>
<tr>
<td>VSE Corp</td>
<td>1/30/2015</td>
<td>NR</td>
<td>NR</td>
<td>43 months</td>
</tr>
<tr>
<td>Fresenius AG</td>
<td>1/22/2015</td>
<td>BBB-</td>
<td>Baa3</td>
<td>na</td>
</tr>
<tr>
<td>Helen of Troy Limited</td>
<td>1/21/2015</td>
<td>NR</td>
<td>NR</td>
<td>49 months</td>
</tr>
<tr>
<td>CB Richard Ellis Services Inc.</td>
<td>1/14/2015</td>
<td>BBB-</td>
<td>Ba1</td>
<td>22 months</td>
</tr>
<tr>
<td>Insight Global (Cov-Lite TL 11/12)</td>
<td>1/14/2015</td>
<td>B</td>
<td>B1</td>
<td>24 months</td>
</tr>
<tr>
<td>Insight Global (RC 11/12)</td>
<td>1/14/2015</td>
<td>B</td>
<td>B1</td>
<td>24 months</td>
</tr>
<tr>
<td>Rite Aid Corp</td>
<td>1/13/2015</td>
<td>BB-</td>
<td>Ba3</td>
<td>23 months</td>
</tr>
<tr>
<td>CH Robinson Worldwide Inc.</td>
<td>1/7/2015</td>
<td>NR</td>
<td>NR</td>
<td>26 months</td>
</tr>
<tr>
<td>RetailMeNot Inc.</td>
<td>1/6/2015</td>
<td>NR</td>
<td>NR</td>
<td>17 months</td>
</tr>
<tr>
<td>QualityTech LP</td>
<td>1/5/2015</td>
<td>B+</td>
<td>NR</td>
<td>12 months</td>
</tr>
</tbody>
</table>

Source: S&P Capital IQ LCD
Notes

- Sources: S&P, Moody's, The Deal, and others as indicated.
- The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

For further information regarding our Restructuring services, please contact:
Edward R. Casas, Senior Managing Director, ecasas@soliccapital.com

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