““# GOLD SHEETS

Vol XXVI, No. 41 | A Thomson Reuters LPC Publication | October 29, 2012

5 THINGS TO KNOW

1 Facing a looming $1.5B maturity on its main credit line next February, OSG has hired Chilmark Partners and Proskauer Rose for financial and legal advice, respectively, to prepare for a potential Chapter 11 filing. p. 17

2 Thomson Reuters LPC's Loan Market Scoreboard provides a snapshot of key statistics in the leveraged loan and high yield bond markets. p. 3

3 Business development company Monroe Capital Corp priced its initial public offering at $15 per share, raising approximately $75M in gross proceeds. p. 18

4 M&A activity is expected to crank higher given the favorable interest rates available in the leveraged credit market and the substantial amount of dry powder private equity firms are still sitting on. p. 19

5 Kinetic Concepts revealed details on its new $2.5B repricing. The credit consists of a $200M revolver, a $1.618B billion TLC-1, a 248M euro TLC-1, and a $323M TLC-2. p. 17

ABL issuance down as lenders hope for M&A pickup ahead

– by Maria C. Dikeos

Asset-based lenders have found themselves less busy in the last several months than they would have hoped – largely a reflection of the slimmer deal pickings that they have had so far this year. At $57 billion, 1-3Q12 ABL volume represented a 45 percent drop over year-ago levels (Fig. 1).

Issuance totals were not the only measure of the market slowdown. Lending activity based on deal count also showed a 25 percent decline from year-ago levels to close out the first nine months of 2012 with 242 syndicated credits, compared to 302 deals in 2011.

"It's hard not to think of this year as slow," said one lender. "But really it is a more normalized year coming off such a high in 2011."

Providing a bit of perspective, at $101 billion, 2011 issuance represented record volume for the market, and at $383billion, 1-3Q11 issuance was already $30 billion greater than the previous market peak for the nine-month period in 2007.

"Certainly the level of activity that we are seeing isn't unexpected," said an arranger. "Last year, we saw so many deals that issuers would have done in 2009 and 2010, but they did not due to price points. So, last year we had repricings."

New ABL volume came in under $15 billion in 1-3Q12, or 26 percent of total issuance for the year. Although the proportion of new lending activity is up from the 18 percent observed in 2011 and on par with 2010 levels, it is a far cry from levels hovering near or above 50 percent of total issuance between 2006 and 2008 (Fig. 2). In many cases, the 2012 new money transactions were only offered to smaller groups of relationship

(**ABL** cont'd on p. 2)

BSL GRID

Applic. Rating	Avg. Undrawn	Min. Undrawn	Max. Undrawn	Avg. Fully Drawn (LIB spread + Ann + Usage)	Avg. Fac Size ($Mils.)
364-day					
AA	5.75	4.00	7.50	78.27	2,500.00
A	12.50	5.00	20.00	112.50	1,725.00
BBB	10.17	8.00	12.50	95.83	400.00
Multi-year					
AA	8.00	7.00	10.00	83.33	2,083.33
A+	9.50	9.00	10.00	93.75	1,000.00
A	9.50	8.00	12.50	95.83	1,166.67
A-	11.25	10.00	12.50	104.17	973.33
BBB+	13.33	12.50	15.00	113.13	750.00
BBB	16.67	15.00	20.00	131.25	1,125.00
BBB-	27.50	22.50	35.00	163.75	868.75

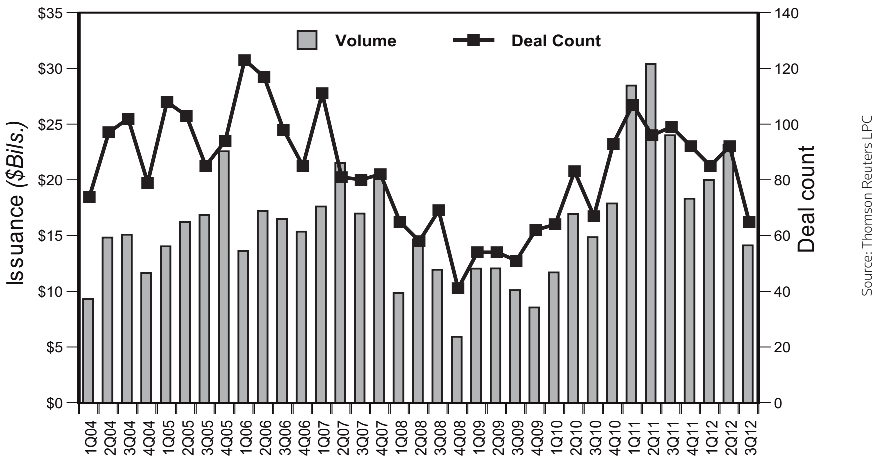
Thomson Reuters LPC uses the 3-5 latest transactions in each ratings category. The credits represent syndications that were not substantially under- or over-subscribed. Agent and syndications fees are not included. **Leveraged BSL Grid available at www.loanconnector.com**

WHAT TO WATCH

- CHG Healthcare is launching October 30 a $765 million covenant-lite credit. Goldman Sachs will launch the deal at a bank meeting at Le Parker Meridien in New York.
- Minera Frisco will tap the New York market November 1 with a $1.5B senior secured term loan. Bank of America Merrill Lynch is leading the deal.
- Tempur-Pedic Intl Inc is coming to market October 31 with a new $1.77B facility. Bank of America Merrill Lynch leads.
- Year to date CLO issuance currently stands at roughly $38B.
- Last week, 2012 high yield bond issuance became the highest on record, beating out 2010's $259.28B and 2011's $219.65B. This month is the busiest October on record for HY volume.

THOMSON REUTERS

Fig. 1: 1Q-3Q12 ABL volume down 45% year over year; 39% decline quarter over quarter



lenders at the expense of broader, retail syndications.

Despite some cautious optimism registered among leveraged cash flow lenders in 3Q12 – especially in the context of a robust high yield bond market, cash inflows to retail funds and over $34 billion of new CLO formations – there were limited opportunities for the market to soak up excess liquidity in the absence of a meaningful M&A pipeline.

ABL, in particular, occasionally found itself competing with bull market cash flow structures, thus facing additional obstacles.

"Sponsors are pretty active," said one lender. "And there is a decent pipeline, but there has been a shift to covenant-lite revolvers." Although this type of bull market phenomenon does not typically last, "it is a negative driver for ABL right now."

M&A volume for the first nine months of 2012 totaled just over $4.5 billion (Fig. 3). Of this total, 60 percent represented financing that backed sponsored takeovers. The vast majority of these deals came in the form of clubbier transactions marked by larger hold positions and fairly aggressive terms and conditions.

In 3Q12 specifically, two out of the three sponsored M&A credits that closed were for existing ABL issuers – Party City (previously under the name Amscan) and Interline Brands – which underwent sponsor-to-sponsor buyouts. Each of these credits came with relatively thin spreads. Interline Brands secured pricing of LIB+175 on the credit, and Party City saw slightly richer spreads of LIB+200 with 25 percent draw down under the revolver.

Although demand for these assets was high, lenders were not indifferent to structure and pricing.

"It feels like we are in a market where doing something silly could be a key behavior," said one lender.

In early spring, anticipated financing backing the buyout of Pep Boys Manny, Moe & Jack came to market. Although the deal did not ultimately close following a withdrawal by the private equity sponsor, the credit, which included an ABL component, was structured with aggressive terms and conditions, according to several sources. One of the biggest areas of concern focused on the application of a grace period for the issuer to correct should availability fall below specified levels or should the springing fixed-charge coverage ratio be breached.

Arguably, the example of individual deals could reflect market aberrations suited to the specific issuers in question. Nonetheless, a number of ABL credits have seen pushback.

"Banks are definitely reading documentation and depending on how oversubscribed a deal is, there will be pushback and some negotiation," said one lender.

The Albaco Scottsman deal required a pricing step-up due to its international component. AOT Bedding likewise got pushback on its pricing thresholds, dominion and fixed-charge springs, although it ultimately secured competitive terms including a pricing grid with spreads cuffed at LIB+150-200.

Most recently, an LBO financing for David's Bridal raised eyebrows. The ABL credit, which has large over advance provisions, comes in combination with a covenant-lite term loan and high yield bond. At $125 million, the ABL tranche is relatively small and did not require a true retail sell down, thereby providing the platform for arguably looser terms. Out of the box pricing was LIB+150.

For several lenders, this begs the question: If the market had to sell those deals down, would it be able to? And do these clubbed relationship deals effectively become the standard or comparison for the next ABL credit?

In the context of clubbed transactions structured for sponsored credits, most lenders agree that specific deals have limited relevance as a comparison for the next deal.

"David's Bridal becomes a comparison for a clubbed, sponsored deal," explains one

INSIDE

CROSS MARKET COMPS GRID

Borrower	LT Rating	Sec' Loan	LCDS	Bond Swap	CDS
Boyd Gaming	B	444	454	737	896
Cablevision Systems Corp	BB	135	154	375	335
Clear Channel Communications Inc	CCC+	995	807	1603	1539
Community Health Systems Inc	B+	221	275	528	448
Delta Air Lines Inc	B	408	760	457	752
Dole Food	B	366	243	629	210
Freescale Semiconductor Inc	B	499	566	713	885
Harrah's Entertainment Inc	B-	406	687	1515	2115
HCA Inc	B+	324	270	408	427
Health Management Associates	B+	283	217	274	424

Source: Source: Thomson Reuters Eikon

See **www.loanconnector.com**. for more names and methodology.

lender. "Not necessarily for the broader market."

Still, lenders point out that there are more new sponsor-driven asks being put forth. More fixed assets have emerged in borrowing base deals, including reserve lending and equipment lending. This raised questions about whether they would dry up lender capacity, but they were ultimately sold down successfully. The waiving of change of control provisions and concerns around a shift toward agent discretion provisions (including waivers, inter-creditor agreements, certain rights) have also prompted a number of investors to walk away from a few deals.

"Negotiations are very difficult with sponsors," said one arranger. "We will go above and beyond with a core group of sponsors, but we try to hold the line to the extent possible. The other thing that makes it difficult working with sponsors is that you are working with or dealing with their lawyers and often, you don't have the opportunity for negotiations directly with them."

In a number of cases, this situation gave way not only to issuer-friendly structures but also the limited retail syndication strategies that have defined the market.

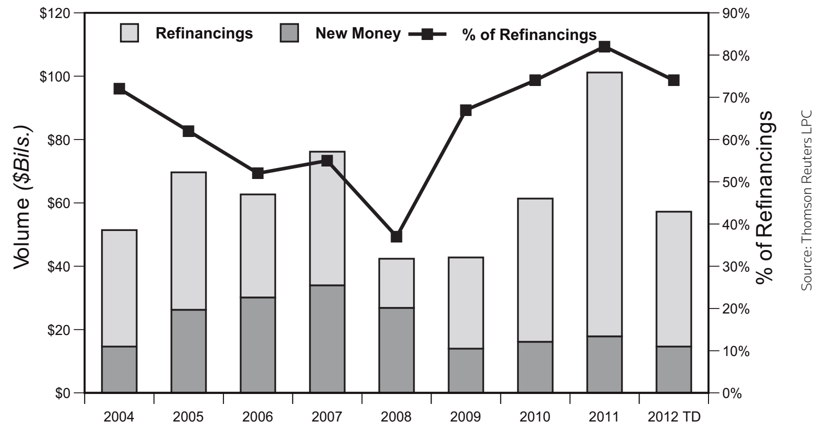
"Sponsors have taken an active role in who our partners are in deals," said one lender. "They want friendly faces at the table [and depending on the deal size] they want to self syndicate."

Furthermore, depending on the size of their credit, sponsors do not want retail syndication because they have too many mouths to feed.

Unsurprisingly, in this context, lenders said that hold levels are increasing and reverse inquiries are up.

What is less clear is where dealflow will come from for the rest of the year and into 2013. The refinancing cliff that cast a long shadow over the loan market in 2008 and 2009 has been successfully and easily pushed out to 2017 and even 2018, leading most lenders to dismiss hopes for a meaningful pipeline in 2013 absent a pickup in M&A (Fig. 4). Several said they have seen an

Fig. 2: Opportunistic refis dominate pipeline amid scarcity of new money deals



uptick in dividend recaps – Leslie's Poolmart came to market earlier this month – and they expect more to tap the market.

Despite their appetite for paper, lenders said the ABL market will be aggressive but disciplined.

"LIB+200 with some usage is a good standalone credit," said one arranger. "Will banks be more aggressive for cross sell? Yes."

Of course, a significant chunk of demand will only be there if the capital business opportunity is there. Nevertheless, for the moment there is abundant liquidity and this still comes at a price. Spreads for pro rata asset-based loans averaged just north of LIB+225 in 3Q12, although lenders said that depending on the credit, they are pitching well south of that on recent deals (Fig. 5).

(**ABL** *cont'd on page 4*)

LOAN MARKET SCORECARD

			For the week ended		
LEVERAGED PIPELINE *($Bils.)*	**2012 High**	**2012 Low**	**10/11/2012**	**10/18/2012**	**10/25/2012**
Leveraged pipeline	$62.95	$9.20	$59.60	$45.03	$44.31
Institutional pipeline	$40.84	$4.16	$40.45	$31.92	$33.12
Institutional new deals this week			$11.65	$6.96	$9.88
Institutional closed deals this week			$12.52	$15.98	$9.14

			4Q12 To Date		
YIELDS (LEVERAGED)	**2Q12**	**3Q12**	**10/11/2012**	**10/18/2012**	**10/25/2012**
Avg. Spread (bps)	499	454	444	449	452
Avg. Libor floor (%)	1.28%	1.21%	1.21%	1.23%	1.23%
Avg. OID	98.59	98.83	99.07	99.12	99.11
Avg. Yield (3yr term to repay)	6.79%	6.18%	6.00%	6.04%	6.08%

	For the quarter ended		For the week ended		
FUND FLOWS	**2Q12**	**3Q12**	**10/10/2012**	**10/17/2012**	**1024/2012**
(Lipper FMI)*($Mils.)*					
Bank loans	+1,497	+3,843	+313.8	+456.9	+502.2
HY bonds	+556	+14,142	-113.8	+52.3	+9.5

SECONDARY	**6/29/2012**	**9/28/2012**	**10/11/2012**	**10/18/2012**	**10/25/2012**
Average Bid Levels					
SMi100	96.95	98.44	98.49	98.45	98.42
Euro Lev 40	95.95	96.95	96.86	97.17	97.04
Middle Market	96.15	96.58	96.64	96.64	96.61
Covenant Lite	95.58	97.42	97.35	97.15	96.99
LBOs	94.83	96.41	96.81	96.77	96.67
Ba1/Ba2	98.86	99.79	99.82	99.84	99.82
Ba3	98.77	99.72	99.77	99.79	99.78
B1	98.17	99.49	99.57	99.61	99.60
B2/B3	96.37	98.42	98.51	98.50	98.42

Source: Thomson Reuters LPC, Lipper FMI, LSTA/LPC MTM pricing

— cont'd from p. 3

Fig. 3: M&A calendar slows dramatically in 2012

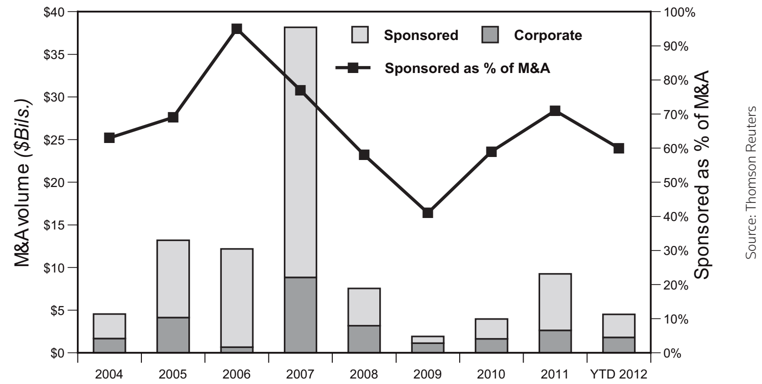


Fig. 4: Estimated ABL refinancing cliff: 2010 year-end through 2011 year-end

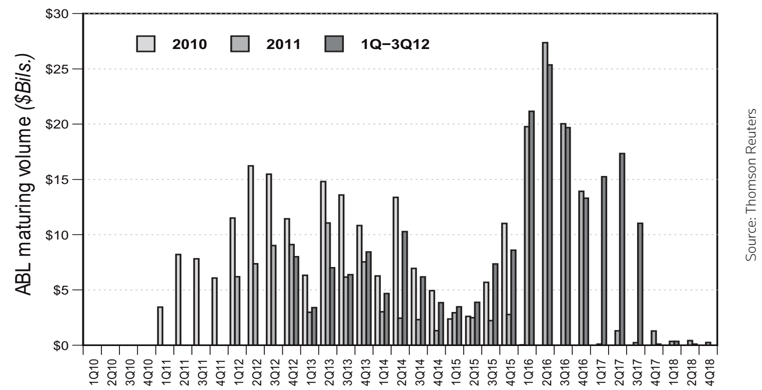
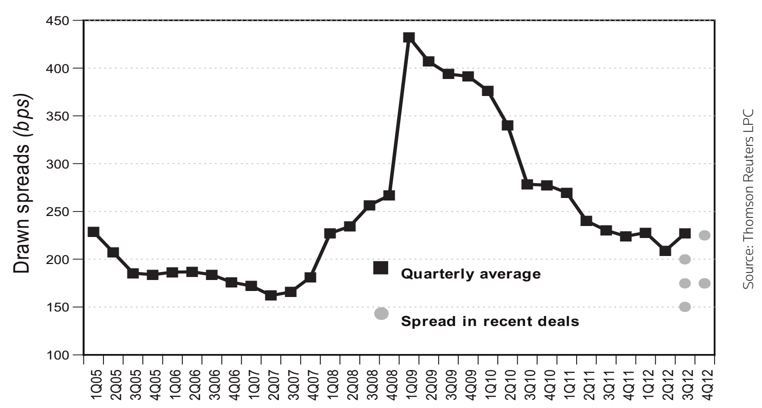


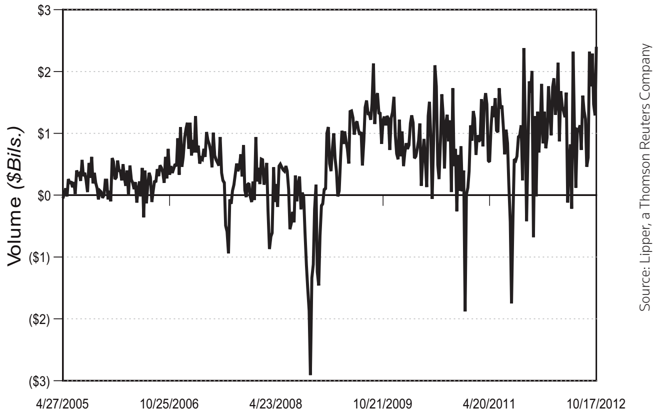
Fig. 5: Calendar of recycled deals drives down pricing



The regulatory environment has "had the impact of creating a spread floor," said one arranger. This leads to decisions about how much lenders are willing to commit or how much they are willing to stretch, rather than competing on price.

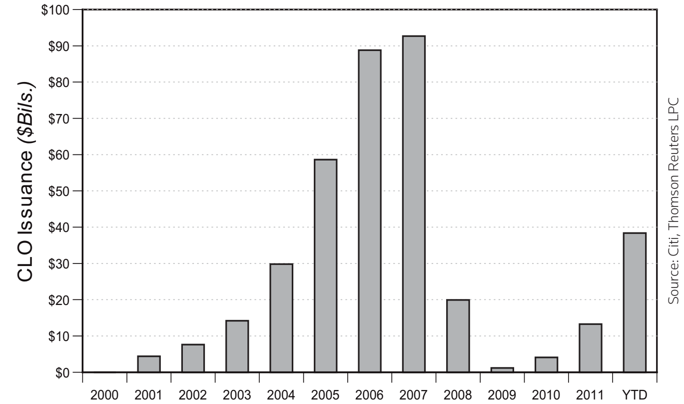
"I would question what true capacity would be if we went out to syndicate a deal with some of the competitive terms that we have seen on deals," said an arranger. "That said, we may need to do a bit of that to get new business."

$2.4B flowed into IG funds the week ending October 17



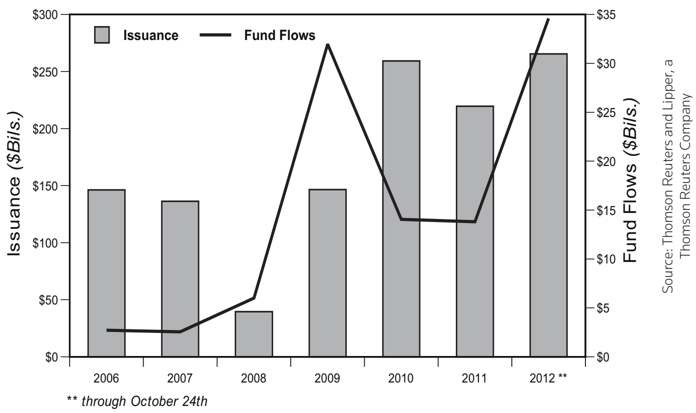
Corporate investment grade funds saw a $2.4 billion inflow the week of October 17, the largest inflow going back to 1992. This came on the heels of a $2.38 billion inflow into investment grade funds the week ending October 12. The weeks ending September 26 and September 12 also saw impressive inflows of $2.29 billion and $2.32 billion, respectively. Falling yields obviously did not deter investors, as, in the secondary market, yields on the Barclays U.S. Corporate Investment Grade Index closed October 15 at a new record low yield-to-worst of 2.67 percent. So far this year, $798.07 billion of U.S. investment grade corporate debt has priced, already surpassing full-year 2011 volume of $754 billion. With another two and a half months left, 2012 is already the third-busiest year on record, coming in after 2007 and 2006 when $993 billion and $942 billion priced, respectively. October has thus far priced $65.62 billion of investment grade bonds.

CLO issuance reaches nearly $38 billion year to date



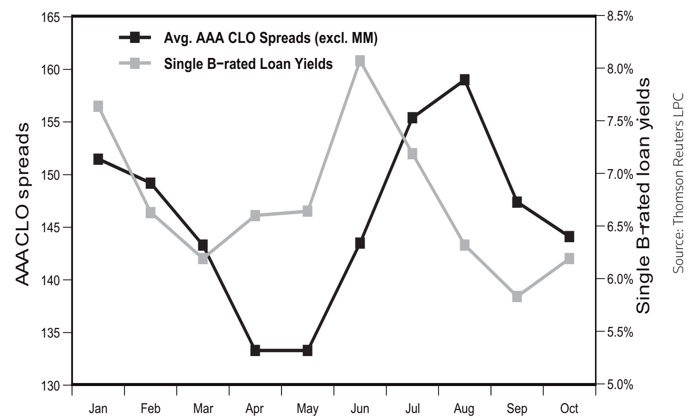
CLO creation continues as Onex Credit Partners ($521M), CVC ($462M), and Blue Mountain ($617M) all priced CLOs last week. Furthermore, Oak Hill Advisors increased its CLO from $514 million up to $770 million amid strong demand. These deals bring year to date CLO issuance up to just over $38 billion, almost triple the volume levels seen in 2011. With the expectation that interest rates will stay low until 2015, investors have shown a strong interest in CLO tranches this year as returns are enticing relative to other securitized vehicles. Despite the primary AAA buyer base disappearing after the credit crisis, new buyers are emerging giving enticing returns including banks, insurance companies, pension funds, etc. Pricing on AAA-rated paper continues to remain in the 140-150bps area which is high relative to pre-crisis CLOs and to equally rated investments today. Eighty six deals have priced so far this year with two still in the pipeline compared to roughly thirty in 2011.

2012 is a record-breaking year for HY bond issuance and fund inflows



Enticed by low benchmark Treasury rates and narrowing spreads, issuers have delved into the U.S. corporate high yield bond market this year at a breakneck pace. High yield bond issues priced this year are averaging yield of 7.7 percent, down from 8.43 percent in 2011 and 9.06 percent in 2010. 2012 high yield bond issuance became the highest on record, beating out 2010's $259.28 billion and 2011's $219.65 billion. October followed September 2012, August 2012 and July 2012 to become the busiest October on record. Tuesday priced $4.7 billion of high yield bonds, pushing October over the edge to $32.62 billion. The previous record holder, October 2010, priced $30.06 billion. The Federal Reserve has indicated it will keep interest rates at or near zero for an extended period, and there has been record-breaking demand for bonds this year to match record-breaking issuance. Following three weeks of outflows, the week ending October 17 saw a $52.29 million inflow into corporate high yield funds, bringing 2012 inflows to $34.6 billion. 2009, now in second place, received inflows of $31.97 billion, and since 1992, corporate high yield funds have averaged inflows of $8 billion.

AAA spreads on CLO liabilities continue to decline, tracking loan yields with a lag



As CLO issuance approaches $40 billion this year, spreads on CLO AAA rated tranches have been moving in tandem with loan yields. During February through March and August through October, AAA liabilities spreads tightened, albeit with a lag, following tightening in B rated leveraged loan yields. Conversely, beginning in late May, as momentum slowed and the market backed up on the back of macroeconomic uncertainty and volatility across the credit markets, loan pricing ticked up in the primary and AAA spreads followed. But average monthly triple-A spreads on CLO liabilities have been on the decline since August, dropping from 159bp down to 144bps so far in October and are expected to continue through year-end barring any unforeseen exogenous shocks. Average monthly loan yields on B rated leveraged loans have also dropped from 8.07 percent in June down to 5.83 percent in September. And while loan yields have ticked up slightly to 6.19 percent in October, it is not an indication of deteriorating investor interest but rather a reach for yield as more aggressive deals are hitting market, including highly levered dividend recaps and covenant-lite loans on both large and smaller issuers. As a result of the changing product mix, investors are looking for higher yields commensurate with the extra risk. Not surprising, yields tightened significantly in September for both asset classes, while it was also the busiest month of the year for CLO issuance, at $6.7 billion. October is not far behind, already at $5.8 billion.

SECONDARY NEWS

THE WEEK'S BIGGEST WINNERS

Biggest Winners among widely quoted syndicated loans in secondary trading. All loans contain at least three bids.

Non Institutional Par Winners Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Consolidated Communications	Delay Draw TL	N.R.*/N.R.*	L+375	12/7/2017	98.08	+0.58
Las Vegas Sands	Delay Draw TL	WR/BBB-	L+175	5/1/2013	98.83	+0.21
Aramark Corp	LC	Ba3/BB	L+325	7/26/2016	100.00	+0.13
Laureate Education	Delay Draw TL	B1/B	L+325	8/17/2014	98.08	+0.13
Community Health	Delay Draw TL	WR/BB	L+225	7/25/2014	100.16	+0.11

Institutional Par Winners Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Mauser AG	TLB	N.R.*/N.R.*	E+237.5		94.20	+2.29
Cableuropa SAU [ONO]	TLB	N.R.*/N.R.*	E+525	3/2/2018	97.13	+1.38
Select Service Partner [SSP]	TLA	N.R.*/N.R.*	L+100	6/16/2016	91.81	+1.31
Qatar Steel Co	TL	NA	L+100	1/10/2018	93.92	+1.17
Orion Cable GmbH	TL	N.R.*/N.R.*	E+325	6/1/2014	96.67	+0.85

Non Institutional Distressed Winners Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
LodgeNet Entertainment Corp	Delay Draw TL	Caa1/CCC	L+500	4/4/2014	76.67	+0.83
Tribune Co	Incremental TL	WR/NR	L+250	4/19/2014	76.04	+0.46
Global Garden Products AB	TL1	N.R.*/N.R.*	L+260.8	8/31/2016	78.38	+0.38
Longview Power LLC	Delay Draw TL	WR/N.R.*	L+225	2/28/2014	86.15	+0.23
GateHouse Media	Delay Draw TL	Ca/CCC-	L+200	2/27/2014	33.95	+0.20

Institutional Distressed Winners Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Sacyr Vellehermoso	TL (Euro)	N.R.*/N.R.*	E+100	12/20/2012	74.83	+13.83
Marken Ltd	TLB	N.R.*/N.R.*	L+500	1/19/2017	73.33	+4.33
Thomas Cook Group Plc	TL	N.R.*/N.R.*	L+350	5/31/2015	67.00	+2.67
Biffa Waste Serivices Ltd	TLB	N.R.*/N.R.*	L+350	6/15/2016	56.17	+1.67
Dubai International Capital LLC	TL	N.R.*/N.R.*	NA	NA	36.67	+1.67

**Par = Average Bid≥ 90
***Distressed = Average Bid < 90
*Not rated

Note: These are the averages of indicative bid prices provided by bank loan traders and expressed as a percentage of the par, or face, value. Coupon, or interest rate, is in 1/100s of a percentage point over Libor, the benchmark London Interbank Offered Rate. All ratings are for specific loans and not for the company itself except as noted with an (a). These prices do not represent actual trades nor are they offers to trade; rather they are estimated values provided by dealers.

Pricing as of Friday, Oct. 26

Source: LSTA/LPC Mark-To-Market Pricing

THE WEEK'S BIGGEST LOSERS

Biggest Losers among widely quoted syndicated loans in secondary trading. All loans contain at least three bids.

Non Institutional Par Losers Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Frac Tech Services Ltd	Delay Draw TL	B3/B	L+475	4/19/2016	90.41	-3.53
Federal-Mogul Corp	Delay Draw TL	Ba3/B+	L+193.75	12/27/2014	95.09	-2.23
IDBI Bank Ltd	PR	N.R.*/N.R.*	NA	NA	97.55	-1.00
Realogy Corp	RC	WR/B+	L+425	4/10/2016	94.75	-0.38
CCS Income Trust	Delay Draw TL	B1/B	L+300	11/5/2014	98.08	-0.26

Institutional Par Losers Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Frac Tech Services Ltd	TL	B3/B	L+475	4/19/2016	90.41	-3.53
Federal-Mogul Corp	TLC	Ba3/B+	L+193.75	6/27/2015	95.09	-2.23
Mivisa Envases	TLB	N.R.*/N.R.*	E+425	2/22/2018	96.50	-1.67
Bharti International Pte Ltd	TL	N.R.*/N.R.*	L+175	6/7/2015	94.50	-1.35
IDBI Bank Ltd	TL	N.R.*/N.R.*	L+205	1/20/2015	97.55	-1.00

Non Institutional Distressed Losers Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Hawker Beechcraft	LC	WR/NR	L+210	3/26/2014	58.29	-5.36
Hellenic Petroleum	364 RC	N.R.*/N.R.*	NA	9/30/2013	85.33	-5.17
Overseas Shipholding Group Inc	RC	N.R.*/N.R.*	L+70	2/9/2013	83.33	-2.17
YRC Worldwide	LC	N.R.*/N.R.*	F+750	NA	63.00	-1.33
Glitnir Banki hf	RC	N.R.*/N.R.*	E+36	NA	29.05	-0.14

Institutional Distressed Losers Name	Tranche	Loan rating Moody's/S&P	Coupon	Maturity	Average bid (pct. pts.)	Weekly change (pct. pts.)
Hawker Beechcraft	TLB	WR/NR	L+200	3/26/2014	58.29	-5.36
Yell Group Plc (TPI)	TLB	N.R.*/N.R.*	L+375	6/1/2014	19.40	-4.48
Interstate Bakeries Corp	TL	N.R.*/N.R.*	L+825	NA	67.00	-3.25
Tragus Holdings Ltd	TLB	N.R.*/N.R.*	L+237.5	7/26/2015	73.00	-2.85
Telepizza SA	TLB	N.R.*/N.R.*	E+225	12/11/2014	78.67	-2.77

**Par = Average Bid≥ 90
***Distressed = Average Bid < 90
*Not rated

Pricing as of Friday, Oct. 26

Note: These are the averages of indicative bid prices provided by bank loan traders and expressed as a percentage of the par, or face, value. Coupon, or interest rate, is in 1/100s of a percentage point over Libor, the benchmark London Interbank Offered Rate. All ratings are for specific loans and not for the company itself except as noted with an (a). These prices do not represent actual trades nor are they offers to trade; rather they are estimated values provided by dealers.

Source: LSTA/LPC Mark-To-Market Pricing

MARKET BASED PRICING SNAPSHOT
(Investment grade revolvers where drawn spread is tied to CDS/CDX)

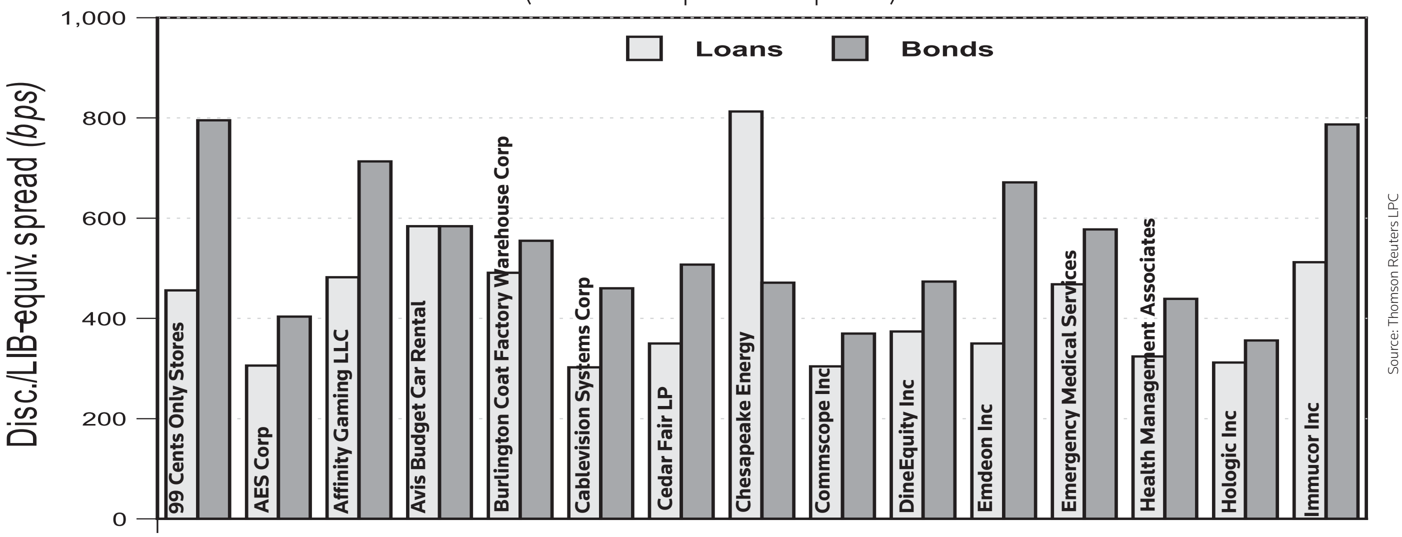
Borrower name	S&P	Moody's	Facility Type	Facility size	Drawn spread is tied to:	Floor	Cap	CDS/CDX (10/26/12)	CDS/CDX (near close)	Deal Close	Undrawn	Prior Deal (Undrawn)	Prior Deal (Drawn)
HJ Heinz Co	BBB	Baa2	5 Yr RC	1,500	One year CDS	NA	NA	11.13	14.2	6/30/2011	50	37.5	MBP
Air Products & Chemicals Inc	A	A2	4 Yr RC	2,170	Four year CDS	35	100	43.43	47.3	6/30/2011	NA	37.5	225
Altria Group Inc	BBB	Baa1	5 Yr RC	3,000	One year CDS	100	200	15.54	22.1	6/30/2011	30	15	MBP
Paccar Inc	A+	A1	364 Day	1,000	50% of CDX	65	No cap	97.94	98.5	6/23/2011	4	NA	MBP
Paccar Inc	A+	A1	5 Yr RC	1,000	50% of CDX	65	No cap	97.94	98.5	6/23/2011	10	NA	MBP
Baxter International Inc	A+	A3	4 Yr RC	1,500	Four year CDS	25.0	100	18.12	32.3	6/17/2011	8	10	45
PepsiCo Inc	A-	A1	364 Day	2,875	One Year CDS	20.0	88	9.20	9.4	6/14/2011	2.5	4	MBP
PepsiCo Inc	A-	A1	4 Yr RC	2,875	Four year CDS	20.0	88	35.32	30.6	6/14/2011	5	4	MBP
Novartis AG	AA-	Aa2	364 Day	4,500	One year CDS	10.0	75	8.75	9.2	6/10/2011	5	5	MBP
Wal-Mart Stores Inc	AA	Aa2	364 Day	10,000	One year CDS	10	75	9.33	13.9	6/9/2011	1.5	2.5	MBP
Wal-Mart Stores Inc	AA	Aa2	SBLC	2,225	One year CDS	10	75	9.33	13.9	6/9/2011	NA	10	MBP
Wal-Mart Stores Inc	AA	Aa2	5 Yr RC	6,259	One year CDS	10	75	9.33	13.9	6/9/2011	4	10	MBP
Charles Schwab Corp	A	A2	364 Day	800	CDX (details undisclosed)	NA	NA	NA	NA	6/8/2011	15	15	MBP
Automatic Data Processing	NR	NR	364 Day	2,000	CDX (details undisclosed)	NA	NA	NA	NA	6/7/2011	1.75	5	MBP
Automatic Data Processing	NR	NR	4 Yr RC	3,250	CDX (details undisclosed)	NA	NA	NA	NA	6/7/2011	4	8	MBP
Cooper Industries	A	WR	5 Yr RC	500	Co's CDS (details undisclosed)	NA	NA	37.50	NA	5/26/2011	22.5	22.5	NA
General Electric Capital Corp	AAA	Aaa	3 Yr RC	22,111	Co's CDS (details undisclosed)	NA	NA	NA	NA	5/13/2011	8	10	MBP
General Electric Capital Corp	AAA	Aaa	3 Yr RC	1,074	Co's CDS (details undisclosed)	NA	NA	NA	NA	5/13/2011	8	10	MBP
Merck & Co Inc	AA-	Aa3	364 Day	2,000	One year CDS	15	80	12.70	NA	5/18/2011	2.5	7	MBP
Merck & Co Inc	AA-	Aa3	4 Yr RC	2,000	Co's CDS (details undisclosed)	NA	NA	NA	NA	5/18/2011	5	7	MBP
United Parcel Service Co	AA-	NR	364 Day	1,500	One year CDS	15	75	8.69	10.3	4/14/2011	3	8	MBP
United Parcel Service Co	AA-	NR	4 Yr RC	1,000	Four year CDS	25	100	26.88	28.8	4/14/2011	6	8	MBP

* Note: data shown in basis points
Source: Thomson Reuters LPC, Markit on Reuters 3000 Xtra/Credit Views

RELATIVE VALUE MARKET

High yield spreads: loans vs. bonds

(Disc. LIB-equivalent spread)



The yield differential between loans and bonds for the 30 liquid names included in the LPC Relative Value composite widened by 10bp last week. The average loan yield decreased to LIB+448 while the average bond swap spread increased to LIB+618, creating a differential of 170bp. In contrast, the LTM bond-loan differential averaged 264bp.

The chart compares institutional term loans with high-yield bonds of several issuers on a Libor-equivalent basis. Using an indicative price (provided from LSTA/Thomson Reuters MTM Pricing) and the contractual loan spread, Thomson Reuters LPC calculates the secondary market yield of the loan using a discounted cash flow model. The yield on the corporate bond is calculated based on the secondary price and coupon of the benchmark bond that most closely match the maturity date of the loan. The yield is then swapped to a floating rate basis. The borrowers used in this analysis have loans that are widely held in institutional portfolios.

RELATIVE VALUE OF LEVERAGED LOANS VS. HIGH YIELD BONDS

Borrower	Bank loan rating/ Bond rating	Tranche	Maturity	Spread/ Coupon (bps/%)	Discounted LIB-equiv. Spread (bps)
99 Cents Only Stores	B+/B2	TLb	Jan-19	400.00	456.00
	Caa1	Sr. Notes	Dec-19	11.00%	795.31
AES Corp	BB+/Ba1	TLb	May-18	325.00	306.00
	BB-/B1	Sr. Unsec.	Oct-17	8.00%	403.67
Affinity Gaming LLC	BB/Ba3	TLb	Nov-17	450.00	482.00
	B	Sr. Notes	May-18	9.00%	713.22
Avis Budget Car Rental	BB/Ba1	TLb	Oct-18	500.00	584.00
	B/B2	Sr. Unsec.	Mar-20	9.75%	584.07
Burlington Coat Factory Warehouse Corp	B3/B	TLb	Feb-17	425.00	491.00
	Caa1/CCC	Sr. Notes	Feb-19	9.00	554.76
Cablevision Systems Corp	BB+/Ba2	TLb	Dec-18	300.00	302.46
	B+/B1/B-	Sr. Unsec.	Apr-18	7.75%	459.93
Cedar Fair LP	BB-/Ba2	TLb	Dec-17	300.00	350.00
	B-/B2	Sr. Unsec.	Aug-18	9.13%	507.41
Chesapeake Energy	BB-/BB-	TLb	Dec-17	700.00	813.00
	Ba3/BB-/BB-	Sr. Notes	Aug-18	6.88%	471.37
Commscope Inc	BB/Baa3	TLb	Jan-18	325.00	304.24
	B/B3	Sr. Notes	Jan-15	8.25%	369.67
DineEquity Inc	CCC+/B2	TLb	Oct-17	300.00	374.00
	CCC+/B3	Sr. Notes	Oct-18	9.50%	473.38
Emdeon Inc	BB-/Baa3	TLb	Nov-18	375.00	349.84
	CCC+	Sr. Notes	Dec-19	11.00%	671.58
Emergency Medical Services	B+/B1	TLB	May-18	375.00	468.00
	B-/Caa1	Sr. Notes	Jun-19	8.13%	577.63
Health Management Associates	BB-/Baa3	TLb	Nov-18	350.00	324.24
	B-/B3	Sr. Notes	Jan-20	7.38%	438.94
Hologic Inc	Ba2/BBB-	TLb	Jul-19	350.00	311.96
	B2/BB	Sr. Notes	Aug-20	6.25%	356.12
Immucor Inc	BB-/Ba3	TLb	Aug-18	575.00	512.00
	B-/Caa1	Sr. Notes	Aug-19	11.13%	786.84
Average of term loans				**431.25**	**447.74**
Average of high yield bonds				**9.07%**	**617.61**

Source: LSTA/LPC Mark-to-Market Pricing,Thomson Reuters LPC

SYNDICATED LOAN FORWARD CALENDAR

— compiled by Jon Methven

Deals in market as of October 25, 2012

Added last week: $13.43 Billion **Bold = New from October 18**

Borrower	Industry	Rating	Lead Banks	Launch Date	Resp. Date	Deal Purp.	Amt. ($Mils.)	TLs (B, C, D) ($Mils.)	Tenor in Yrs.	LIBOR Spread (bps)	Ann./ Com. Fee (bps)	Pro Forma Tot./ Sr. Lev.
LEVERAGED												
Ainsworth Lumber	Construction		NA	October		RFI	350	NA	NA	NA	NA	
Airborne Systems	AeroDefense		SunTrust	9/24		DivRecap	155	130	5	NA	NA	
Alon USA Energy Inc	OilGas		Credit Suisse	10/17		RFI	450	450	6	625	NA	
Artel LLC	AeroDefense		RBC	10/15		RFI	145	NA	5	525	NA	
Astoria Generating	Utilities		Goldman Sachs	10/4		RFI	450	NA	5	NA	NA	
Auto Europe	Automotive		KeyBank	10/4		DivRecap	140	NA	5	NA	NA	
Blackboard Inc	**Technology**		**BAML**	**10/23**		**RFI**	**500**	**500**	**6**	**475**	**NA**	
Caesar's Drai's	Gaming		Credit Suisse	10/4		ProFin	180	180	7	850	NA	
Centerplate Inc	Leisure		GE Capital/PNC/Rabobank	9/25		LBO	352	267	5	NA	NA	
CHG Healthcare Services	**Healthcare**		**Goldman Sachs**	**10/30**		**LBO**	**NA**	**NA**	**NA**	**NA**	**NA**	
Communications Corp of America	Broadcasting	B3/B-	JPM	4/26		RFI	158	158	5.5	650	NA	
ComPsych Corp	Healthcare		UBS	10/4		DivRecap	64	64	NA	NA	NA	
Confie Seguros Holding	**BusServices**		**RBC/GE Capital**	**10/17**		**LBO**	**437**	**NA**	**NA**	**NA**	**NA**	
Contour Global	Utilities		Credit Suisse/BNP Paribas	9/27		ACQ	350	NA	5	850	NA	
Cornerstone Healthcare Group	Healthcare		Goldman Sachs	9/27		RFI	150	NA	3.5	525-550	NA	
CSG Systems International Inc	**BusServices**		**RBC/WF**	**10/22**		**RFI**	**250**	**NA**	**5**	**200**	**NA**	
Dexter Axle	Automotive		BNP	10/11		LBO	210	185	5	NA	NA	
DHX Media Ltd	Media		RBC	August		ACQ	80	NA	NA	NA	NA	
DigitalGlobe Inc	AeroDefense		MS/BofTMUFJ	September		ACQ	1200	NA	NA	NA	NA	
DuPont Co	GenManuf		Barclays/Credit Suisse	September		RFI	4100	2300	NA	125	NA	
Edelman Financial Group Inc	Financials		NA	NA		LBO	190	NA	NA	NA	NA	
Einstein Noah Restaurants	Eats		Credit Suisse	10/17		DivRecap	265	NA	5	NA	NA	
Endurance International	BusServices		Credit Suisse	10/11		ACQ	1115	NA	7	500	NA	
EP Energy Corp	**Utilities**		**Credit Suisse**	**10/23**		**RFI**	**300**	**NA**	**6.5**	**350**	**NA**	
4L Holdings	GenManuf		GE Capital/JPM	10/10		ACQ	75	NA	5	525	NA	
Fisher Communications Inc	Broadcast		JPM	August		GCP	30	NA	5	NA	NA	
Fresenius Medical Care	Healthcare		BAML/DB/Commerz/JPM/SB/Unicredit	October		RFI	3800	800	5	NA	NA	
FundTech	BusServices		RBC/BMO	10/2		RFI	199	NA	4	450	NA	
GenCorp	AeroDefense		Morgan Stanley/Citigroup	July		ACQ	NA	NA	NA	NA	NA	
IMS Health Inc	Healthcare		BAML	10/12		RFI	750	750	5	325	NA	
Insight Global Inc	BusServices		Credit Suisse	10/10		LBO	490	NA	5	NA	NA	
Insight Pharmaceuticals	Healthcare		GE Capital	10/4		RFI	310	NA	4	500	NA	
Ipreo	**BusServices**		**RBC**	**10/10**		**RFI**	**170**	**NA**	**6**	**525**	**NA**	
Jackson Hewitt Tax Service Inc	BusServices		BAML	9/13		RFI	200	NA	5	NA	NA	
Jacobs Entertainment	Gaming		Credit Suisse	9/20		RFI	350	NA	5	500	NA	
Jimmy Sanders Inc	Agriculture		Credit Suisse	10/16		LBO	800	NA	5	NA	NA	
Kenneth Cole Productions Inc	Retail		Wells Fargo	June		GCP	165	NA	NA	NA	NA	
KeyPoint Government Solutions Inc	BusServices		UBS	10/19		DivRecap	160	150	5	550-600	75	
Kinetic Concepts Inc	**Healthcare**		**NA**	**10/24**		**RFI**	**2389**	**2189**	**4**	**NA**	**NA**	
Kronos Inc	BusServices		Credit Suisse	10/11		RFI	1965	NA	5	NA	NA	
Landmark Aviation	AeroDefense		MS/RBC/BARC	10/4		LBO	390	NA	7	425-450	NA	
Merrill Corp	BusServices		Credit Suisse	10/18		RFI	605	455	5	750	NA	
Metals USA	**Mining**		**CS/JPM/DB/MS/WF**	**10/25**		**RFI**	**275**	**NA**	**7**	**500**	**NA**	
Milk Specialties Global	**FoodBeverage**		**RBC**	**October**		**RFI**	**315**	**250**	**5**	**NA**	**NA**	
MMM Holdings Inc	Healthcare	B2/B+	BAML/Citi/Jefferies	10/11		RFI	505	475	5	NA	NA	
Nexstar Broadcasting Group	Broadcasting		BAML/UBS/RBC	July		ACQ	445	570	NA	NA	NA	
Northfield Park Associates	Gaming		Credit Suisse	9/27		LBO	195	NA	5	NA	NA	
nTelos Inc	Telecom	B1/BB-	JPM	10/11		RFI	475	475	7	425	NA	
P2 Energy Solutions Inc	**Utilities**		**Jefferies**	**10/25**		**RFI**	**355**	**NA**	**NA**	**NA**	**NA**	
Peppermill Casinos	**Gaming**		**WF/US Bank**	**10/23**		**RFI**	**600**	**275**	**NA**	**NA**	**NA**	
PQ Corp	BusServices		Credit Suisse	10/11		RFI	1250	NA	4.5	NA	NA	
PSAV Presentation Services	Technology		Barclys	10/12		ACQ	495	NA	5	NA	NA	
PTC Alliance	Automotive		Credit Suisse	9/18		DivRecap	150	225	5	775	NA	
Raven Power Finance	**Utilities**		**UBS**	**10/24**		**GCP**	**150**	**150**	**6**	**600-650**	**NA**	
Renaissance Learning	BusServices		RBC/BMO	10/18		RFI	250	230	5	NA	NA	
Sequa Automotive Group	Automotive		RBC/Barclays	10/23		LBO	275	215	NA	NA	NA	
Shelf Drilling	OilGas		Jefferies	10/3		ACQ	75	NA	NA	500	NA	
Sirius Computer Solutions	**Technology**		**Wells Fargo**	**10/24**		**RFI**	**360**	**340**	**5**	**NA**	**NA**	
Smart & Final	**Retail**		**MS/BAML/CS/DB**	**10/24**		**LBO**	**720**	**NA**	**7**	**450-475**	**NA**	
Spectrum Brands Holdings Inc	ConsProducts	B1/B	Barclays Capital/Deutsche Bank	10/12		ACQ	1840	800	NA	NA	NA	
Sportsman's Warehouse Inc	BusServices		Credit Suisse	10/10		RFI	145	NA	6	600	NA	
Stream Global	**BusServices**		**MS/WF/BAML/RBofC**	**10/23**		**RFI**	**400**	**290**	**5**	**NA**	**NA**	
SumTotal Systems	Technology		BAML/GS/JPM	10/11		RFI	595	NA	5	NA	NA	
Syniverse	Technology		BC/DB/CS/GS	July		ACQ	700	NA	NA	NA	NA	
Tallgrass Energy Partners	Utilities		Barclays	10/2		ACQ	1275	NA	5	NA	NA	
Tempur-Pedic	ConsProducts		BAML	NA		ACQ	1770	770	NA	NA	NA	
Tomkins' Air Distribution	**GenManuf**		**RBC**	**10/11**		**ACQ**	**760**	**525**	**5**	**NA**	**NA**	
TPC Group Inc	Chemicals		BAML/MS/Jefferies	August		LBO	NA	NA	NA	NA	NA	
TransUnion Corp	BusServices		Deutsche Bank/Goldman Sachs	NA		LBO	NA	NA	NA	NA	NA	
TriNet HR Corp	BusServices		KeyBank/BAML	9/27		RFI	350	175	5	NA	NA	
Triple Point Technology	Technology	B2/B	Credit Suisse	10/17		LBO	175	NA	5	475-500	NA	
U.S. Xpress	Transportation		SunTrust	9/13		RFI	230	NA	3	600	50	
Village Roadshow Films	Leisure		JPM	10/17		RFI	875	550	5	NA	NA	
Waddington North America	ConsProducts		GE Capital/BofI/Rabobank	9/11		LBO	220	NA	5	500	NA	
Walter Investment Management Corp	**BusServices**		**Credit Suisse**	**10/26**		**RFI**	**700**	**600**	**5**	**NA**	**NA**	
Warner Music Group	Media		Credit Suisse	10/17		RFI	750	NA	6	475-500	NA	
WESCO International Inc	**BusServices**		**NA**	**October**		**ACQ**	**750**	**NA**	**NA**	**NA**	**NA**	
Western Dental Services	Healthcare		Jefferies/BMO Capital	11/11		LBO	300	25	NA	NA	NA	
Wilsonart LLC	**ConsProducts**		**Deutsche Bank**	**10/18**		**LBO**	**900**	**725**	**NA**	**NA**	**NA**	
Windsor Financing LLC	**BusServices**		**Morgan Stanley**	**10/23**		**RFI**	**246**	**246**	**NA**	**NA**	**NA**	
								Total TLs				
TOTAL LEVERAGED							**$44,310,000,000**	**$15,909**				
NON-LEVERAGED												
Ameren Corp	Utility		JPM	9/10		RFI	2100	NA	6	NA	NA	
American Water Capital Corp	Utility		WF/JPM/PNC/RBS	October		RFI	1000	NA	5	113	13	
Cargill Inc	FoodBeverage		JPM/BNP/Citi/BAML	September		RFI	5000	NA	364	NA	NA	
Chicago Bridge & Iron	Utilities		BAML/Credit Agricole	8/10		ACQ	2200	NA	NA	300	NA	
General Electric Capital Corp	GenManuf		JPM/Citi/BAML	October		RFI	22165	NA	NA	NA	NA	
General Motors Co	Automotive		17-Oct	August		RFI	10000	NA	NA	NA	NA	
Ingredion	ConsProducts		JPM	October		RFI	750	NA	5	125	15	
MasterCard Inc	BusServices		Citi/JPM	October		RFI	2500	NA	5	90	10	
Omega Healthcare Investors Inc is	Healthcare		BAML	10/30		RFI	700	NA	4	150	NA	
SL Green Realty Corp	REIT		WF/JPM/DB	October		RFI	1500	NA	NA	145	30	
Viacom Inc	**Broadcasting**		**Citi/JPM**	**October**		**RFI**	**2500**	**NA**	**5**	**NA**	**NA**	
TOTAL NON-LEVERAGED							**$50,415,000,000**					
TOTAL IN PIPELINE							**$94,725,000,000**					

Tenor and pricing for pro rata tranches only. See LoanConnector for further deal information and additional forward calendars,

Thomson Reuters LPC

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LEAGUE TABLE

1Q-3Q12 U.S. Overall Bookrunner $100M+ Volume

Rank	Bank Holding Company	Bookrunner Volume	# of Deals	Market Share
1	JP Morgan	$191,419,529,887	571	19%
2	Bank of America Merrill Lynch	156,446,168,504	568	16
3	Citi	110,031,931,500	271	11
4	Wells Fargo & Co	95,648,829,464	467	10
5	Barclays	58,928,314,949	182	6
6	Credit Suisse	34,577,280,806	113	3
7	Deutsche Bank	32,480,716,501	118	3
8	Morgan Stanley	29,665,646,193	100	3
9	RBS	28,793,716,083	129	3
10	Mitsubishi UFJ Financial Group	25,850,219,298	101	3
11	Goldman Sachs & Co	22,822,775,227	85	2
12	BNP Paribas SA	21,532,899,996	72	2
13	RBC Capital Markets	21,107,449,486	101	2
14	U.S. Bancorp	17,647,902,062	110	2
15	SunTrust Bank	17,014,404,795	115	2
16	PNC Bank	16,066,057,559	114	2
17	UBS AG	12,030,979,871	53	1
18	General Electric Capital Corp	10,352,042,301	89	1
19	KeyBank	10,146,828,671	70	1
20	BMO Capital Markets	8,374,896,517	63	1
21	Jefferies Finance LLC	8,125,383,334	31	1
22	HSBC Banking Group	7,370,853,016	23	1
23	Scotiabank	4,895,777,776	29	1
24	Mizuho Financial Group Inc	4,691,737,158	21	1
25	Rabobank	4,272,399,703	20	1

Source: Thomson Reuters LPC

THOMSON REUTERS LPC'S LEAGUE TABLES

Thomson Reuters LPC compiles league tables in four ways to catalogue different aspects of syndications volume:

Full-Credit
Full-credit leagues award full credit of a transaction to each agent/co-agent in the lending group.

Number of Deals
Number of deals leagues rank bank holding companies by the number of transactions led or co-led.

Agent-Only
Agent-only leagues award full credit to each lender with an admin., syn. or doc. agent title, up to five banks. For deals $10 billion or more, full credit awarded to up to five lenders, provided they meet certain criteria.

Bookrunner
This table awards credit to bank(s) with a Bookrunner or Lead Arranger title on the loan documentation.

U.S. League Table Parameters

- Loans must be to U.S. borrowers (Thomson Reuters LPC's Global League Tables rank worldwide lending).
- Commercial & industrial loans only (real estate and private placements are excluded).
- Loans greater than $10 billion and with more than five agents receive weighted pro rata credit for Agent-only league tables.

For more information concerning league tables contact at (646) 223-6890.

Abbreviations

Ann = Annual
AIS* = All-in Spread (Drawn/Undrawn)
Cancel = Cancellation
CAN$ = Canadian Dollars
CBO = Competitive Bid Option
COF = Cost of Funds
Commit. = Commitment
CP = Commercial Paper
DIP = Debtor-in-Possession
DM = Deutschemarks
FF = Federal Funds
Ffr = French Francs
FQ = Fiscal Quarter
FY = Fiscal Year
GBR = Gold Base Rate
Guid.= Guidance Line (Uncommitted)
HK$ = Hong Kong Dollars
HLT = Highly Leveraged Transaction
is = Implied Senior
LIB = LIBOR (London Interbank Offered Rate)
Lt = Lire
MMR = Money Market Rate
NA = Not Available/Not Applicable
P = Prime
PIK = Pay in Kind
SBLC = Standby Letter of Credit
Sfr= Swiss Francs
si = Senior Implied
TreasSpr = Treasury
TrLC = Trade Letter of Credit
Upfr. = Upfront
Util. Fee = Utilization Fee

Types of Loans
BL = Bridge Loan
LC = Letter of Credit
RC = Revolving Credit
TL = Term Loan
PARTIAL = No Pricing Info

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
OMNICARE INC Cincinnati, OH $6.2B SIC 5912, 5912, 5047 (Drug stores and proprietary stores) REFI CREDIT	BBB-/Baa3 (Sr.) BB/Ba3 (Sub.)	$725M (PACKAGE)							Corp. purposes

COMMENTS: Credit amends and restates co.'s previous credit agreement dated 08/24/2011. Credit may be upsized to $1.025B via an increase to either of the RC or TL. Suntrust Robinson Humphrey Inc, JP Morgan Securities LLC, Barclays Bank Plc, Goldman Sachs Bank USA and Merrill Lynch, Pierce, Fenner & Smith Inc acted as joint lead arrangers and joint bookrunners. Law Firms: White & Case LLP, Dewey & LeBoeuf LLP, Reed Smith LLP (for borrower), Cahill Gordon & Reindel LLP (for lender). Pricing: (See grid). Default rate = +200bps. Prime floor = one month LIBOR plus 100 bps. No LIBOR floor. Financial Covenant(s): Min. interest coverage ratio of 2.5:1; max. debt to EBITDA ratio of 3.75:1. Debt to EBITDA = consolidated net total debt to consolidated EBITDA. Prepayments: Amount Reduction = 100%. Guarantor Release = 100%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Assignments: Company consent required, Agent consent required. Assign. min. = $5M. Assign. fee = $3,500. Pro Rata = y.

RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
BBB-/Baa3 (At Close Bank Loan) BBB-/Baa3 (Curr Bank Loan) BBB-/Baa3 (At Close Sub.) BB/Ba3 (At Close CP)	$300M (Part 1/2) (Unsec'd)	RC	60	09/28/2012 09/28/2017	P+75 LIB+175	Com 35 SBLC 187.5	175.0/35.0	Corp. purposes Work. cap.

GUARANTOR(S): Credit is guaranteed by certain of co.'s subsidiaries.

LEAD LENDERS: SunTrust Bank (26.57%) - Admin. Agent/Lead Arranger, Bank of America Merrill Lynch (10.02%) - Documentation Agent/Lead Arranger, Barclays Bank Plc (10.02%) - Documentation Agent/Lead Arranger, Goldman Sachs Bank USA (10.02%) - Documentation Agent/Lead Arranger, JP Morgan (10.02%) - Syndications Agent/Lead Arranger

OTHERS IN DEAL: Bank of Tokyo Mitsubishi (6.21%), US Bank (6.21%), KeyBank (4.14%), Sumitomo Bank (4.14%), Fifth Third Bank (3.45%), HuntingtonNB (3.45%), RegBk (3.45%), Land Bank of Taiwan (1.67%), Sabadell United Bank NA (0.67%)

COMMENTS: Option(s): $50M LC and $25M swingline.

Level	Debt/CF	P+	LIB+	Com	SBLC
1	> or =3	125	225	45	237.5
2	> or =2.5 <3	100	200	40	212.5
3	> or =2 <2.5	75	175	35	187.5
4	> or =1.5 <2	50	150	30	162.5
5	<1.5	25	125	25	137.5

Pricing is as indicated initially thru 12/31/2012, tied to co.'s consolidated net total debt to consolidated EBITDA ratio thereafter. Indicated SBLC fee includes a 12.5bp issuance fee.

RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
BBB-/Baa3 (At Close Bank Loan) BBB-/Baa3 (Curr Bank Loan) BBB-/Baa3 (At Close Sub.) BB/Ba3 (At Close CP)	$425M (Part 2/2) (Unsec'd)	TL A	60	09/28/2012 09/28/2017	P+75 LIB+175		175.0/NA	Corp. purposes Work. cap.

GUARANTOR(S): Credit is guaranteed by certain of co.'s subsidiaries.

LEAD LENDERS: SunTrust Bank (30.65%) - Admin. Agent/Lead Arranger, Bank of America Merrill Lynch (7.05%) - Documentation Agent/Lead Arranger, Goldman Sachs Bank USA (7.05%) - Documentation Agent/Lead Arranger, JP Morgan (7.05%) - Syndications Agent/Lead Arranger

OTHERS IN DEAL: Bank of Tokyo Mitsubuishi (6.21%), US Bank (6.21%), First Merit Bank (4.71%), Land Bank of Taiwan (4.71%), KeyBank (4.14%), Sumitomo Bank (4.14%), First Niagara Bank (3.53%), Fifth Third Bank (3.45%), HuntingtonNB (3.45%), RegBk (3.45%), Banner Bank (2.35%), Sabadell United Bank NA (1.88%)

COMMENTS: Repayments: 19 Qtrly. installs. of $5.313M beg. 12/31/2012; $324.063M install. on 09/28/2017. Avg. life = 4.4 yrs.

Level	Debt/CF	P+	LIB+
1	> or =3	125	225
2	> or =2.5 <3	100	200
3	> or =2 <2.5	75	175
4	> or =1.5 <2	50	150
5	<1.5	25	125

Pricing is as indicated initially thru 12/31/2012, tied to co.'s consolidated net total debt to consolidated EBITDA ratio thereafter.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
ACCO BRANDS CORP Lincolnshire, IL $1.3B SIC 2782, 3952, 5112 (Blankbooks and looseleaf binders) REFI CREDIT	B+/B1 (Sr.)	$1.02B (PACKAGE)							Acquis. line

ADDITIONAL BORROWER(S): Certain co.'s subsidiaries also acted as borrowers.

COMMENTS: Credit backs co.'s acquisition of the consumer and office products business of MeadWestvaco Corp., which will be first spun off. The acquisition will leave MeadWestvaco shareholders within 50.5% of the equity of the combined companies. The transaction will be funded with a combination of $940M of debt, approximately $544M of equity based on the current stock price and approximately $56 million of cash. Co. will recapitalize its balance sheet as part of the transaction. Credit also refinances co.'s previous credit agreement dated 09/30/09 and co.'s 10.625% senior secured notes due 2015. Credit may be increased up to $1.27B via RC or TLs (max. of $100M incremental loans for RC and TLA facilities). Credit comes in conjunction with $500M 6.75% 144A senior unsecured notes due 04/30/20. Pro forma senior secured debt to EBITDA ratio is at 2x and net total debt to EBITDA ratio is at 3.4x. $190M of the secured debt will initially be issued to a special purpose entity, which will then be assumed by ACCO at close. The co. has commitments for a $270M bridge loan that is expected to be replaced by a senior unsecured bond prior to close. Tenor will be shortened to 91 days prior to the maturity of co.'s 7.625% senior subordinated notes due 2015 unless such notes are refinanced by such date with (a) notes having a maturity date at least six months after the fifth anniversary (seventh anniversary for TLB facility) of the merger's closing date, or (b) with the proceeds of an incremental TL. Barclays Bank PLC, Merrill Lynch Pierce Fenner & Smith Inc. and BMO Capital Markets acted as joint lead arrangers and joint bookrunners. Law Firms: Vedder Price PC, Borden Ladner Gervais LLP, Emmel & Klegerman PC, Baker & McKenzie LLP and Stewart McKelvey (for borrower). Simpson Thacher & Bartlett LLP and Latham & Watkins LLP (for lender). Pricing: Default rate = +200 bps. Financial Covenant(s): Min. interest coverage ratio increasing from 3:1 to 3.5:1; max. debt to EBITDA ratio decreasing from 4.5:1 to 3.5:1. Max. Capex (initial) = $60M. Capex carryover = 100%. Debt to EBITDA = consolidated funded debt (net of unrestricted cash of holdings and its subsidiaries <=$50M) to consolidated EBITDA. Prepayments: Excess CF Sweep = 50%. Assets Sales Sweep = 100%. Debt Iss. Sweep = 100%. Insurance Proceeds Sweep = 100%. Indicated asset sales sweep and insurance proceeds not required if proceeds <=$10M per FY. Indicated excess CF sweep required commencing with FYE 12/31/13 and if co.'s consolidated senior secured debt (net of unrestricted cash of holdings and its subsidiaries <=$50M) to consolidated EBITDA ratio >2:1; 25% if ratio >1.5:1 but <=2:1; 0% if ratio <=1.5:1. Indicated prepayments apply to TLs first. Amount Reduction = 100%. Guarantor Release = 100%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Collateral Release = 100%. Assignments: Company consent required, Agent consent required. Assign. min. = $5M. Assign. fee = $3,500. Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
	BB+/Ba1 (At Close Bank Loan) BB+/Ba1 (Curr Bank Loan) BB+/Ba2 (At Close Sr.)	$250M (Part 1/3) (Sec'd)	RC	60	03/26/2012 03/26/2017	P+200 LIB+300	Upfr 35 Com 50 SBLC 312.5	300.0/50.0	Acquis. line Work. cap. Corp. purposes

GUARANTOR(S): Certain co.'s existing and future domestic and foreign subsidiaries acted as guarantors.

LEAD LENDERS: Barclays Capital (9.65%) - Admin. Agent/Lead Arranger, SunTrust Bank (8.77%) *Documentation agent, BMO Capital Markets Financing Inc (9.21%) - Syndications Agent/Lead Arranger, Bank of America Merrill Lynch (9.21%) - Syndications Agent/Lead Arranger

OTHERS IN DEAL: BBVA Compass (7.89%), Bank of Nova Scotia (7.89%), Fifth Third Bank (7.89%), PNCBk (7.89%), WellsFar&Co (6.14%), Union Bank NA (5.26%), BB&T Corp. (4.39%), Private Bank & Trust Co (4.39%), Capital One Bank (3.51%), Mizuho Bank (3.51%), NorthernTr (2.63%), DZ Bank AG Deutsche Zentr (1.75%)

COMMENTS: Facility is also available in Canadian dollars. $50M is arranged for Canadian borrower Acco Brands Canada Inc. Max. initial amount = $50M (made only in US$). Pricing: (See grid). Prime floor = one month LIBOR plus 100 bps. No LIBOR floor. Co. pays a 50 bps ticking fee beginning on 04/01/12. Option(s): $50M LC, $30M swingline and $50M multicurrency. LC is also available in Hong Kong dollars and Canadian dollars. Collateral: Unknown.

Level	Debt/CF	P+	LIB+	Com	SBLC	Commitment	bps
1	>2.75	200	300	50	312.5	$35M	35
2	>2.25 < or =2.75	175	275	37.5	287.5	$25M	25
3	< or =2.25	150	250	37.5	262.5		

Pricing is as indicated initially, tied to co.'s consolidated funded debt (net of unrestricted cash of holdings and its subsidiaries <=$50M) to consolidated EBITDA ratio thereafter. SBLC fee includes a 12.5 bps issuance fee.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
	BB+/Ba1 (At Close Bank Loan) BB+/Ba1 (Curr Bank Loan) BB+/Ba2 (At Close Sr.)	$320M (Part 2/3) (Sec'd)	TL A	60	03/26/2012 03/31/2017	P+200 BA+300 LIB+300 CanP+200	Upfr 35	300.0/NA	Acquis. line Debt Repay. Recap.

GUARANTOR(S): Certain co.'s existing and future domestic and foreign subsidiaries acted as guarantors.

(Deal cont'd on next page)

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE

ACCO BRANDS CORP
CONT'D

LEAD LENDERS: Barclays Capital (9.65%) - Admin. Agent/Lead Arranger, SunTrust Bank (8.77%) *Documentation agent, BMO Capital Markets Financing Inc (9.21%) - Syndications Agent/Lead Arranger, Bank of America Merrill Lynch (9.21%) - Syndications Agent/Lead Arranger

OTHERS IN DEAL: BBVA Compass (7.89%), Bank of Nova Scotia (7.89%), Fifth Third Bank (7.89%), PNCBk (7.89%), WellsFar&Co (6.14%), Union Bank NA (5.26%), BB&T Corp. (4.39%), Private Bank & Trust Co (4.39%), Capital One Bank (3.51%), Mizuho Bank (3.51%), NorthernTr (2.63%), DZ Bank AG Deutsche Zentr (1.75%)

COMMENTS: $95M is arranged for Acco Brands Corp., $190M for Monaco Spinco Inc. and $35M for Acco Brands Canada Inc. Credit was increased to $320M (from $300M). Pricing: (See grid). Prime floor = one month LIBOR plus 100 bps. Canadian Prime = one month CDOR plus 100 bps. No LIBOR or BA Rate floor. Co. pays a 50 bps ticking fee between 4/1/12 and 4/30/12, 100 bps thru 5/31/12 and 300 bps thereafter. Collateral: Unknown. Repayments: 19 Qtrly. installs. ranging from $4M to $80M beg. 09/30/2012. Avg. life = 3.85 yrs.

Level	Debt/CF	P+	LIB+	Upfront Fees Commitment	bps
1	>2.75	200	300	$35M	35
2	>2.25 < or =2.75	175	275	$25M	25
3	< or =2.25	150	250		

Pricing is as indicated initially, tied to co.'s consolidated funded debt (net of unrestricted cash of holdings and its subsidiaries <=$50M) to consolidated EBITDA ratio thereafter. Co. also pays BA+300 for Level 1, CanP+200 for Level 1, BA+275 for Level 2, CanP+175 for Level 2, BA+250 for Level 3, CanP+150 for Level 3.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
	BB+/Ba1 (At Close Bank Loan) BB+/Ba1 (Curr Bank Loan) BB+/Ba2 (At Close Sr.)	$450M (Part 3/3) (Sec'd)	TL B	84	03/26/2012 03/31/2019	P+225 LIB+325	Upfr 100 Cancel 100	325.0/NA	Acquis. line Debt Repay. Recap.

GUARANTOR(S): Certain co.'s existing and future domestic and foreign subsidiaries acted as guarantors.

LEAD LENDERS: Barclays Capital - Admin. Agent/Lead Arranger, SunTrust Bank *Documentation agent, BMO Capital Markets Financing Inc - Syndications Agent/Lead Arranger, Bank of America Merrill Lynch - Syndications Agent/Lead Arranger

COMMENTS: SpinCo TLB tranche. Credit was increased to $450M (from $370M). Pricing: LIB+325 (from LIB+375, initially LIB+475). Prime floor = greater of one month LIBOR plus 100 bps and 2%. LIBOR floor = 1% (from 1.25%). OID = 99. Facility has 101 soft call protection for year 1. Co. pays a 50 bps ticking fee between 4/01/12 and 4/30/12, 100 bps thru 5/31/12 and 325 bps thereafter. Collateral: Unknown. Repayments: 26 Qtrly. installs. of $1.125M beg. 09/30/2012; $420.75M install. on 03/31/2019. Avg. life = 6.78 yrs.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
CONFIE SEGUROS HOLDING II CO New York, NY SIC 6211 (Security brokers and dealers) PARTIAL	B2 (Sr.)	$437M (PACKAGE)							LBO

SPONSOR(S): ABRY Capital Partners.

LEAD LENDERS: GE Capital Corp - Arranger/Lead Arranger, RBC Capital Markets - Arranger/Lead Arranger

COMMENTS: Proceeds back the co.'s buyout by ABRY from Genstar. Assignments: Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
	B2 (At Close Bank Loan) B2 (Curr Bank Loan) B2 (At Close Sr.)	$75M (Part 1/3)	RC		11/06/2012			NA/NA	SBO
	B2 (At Close Bank Loan) B2 (Curr Bank Loan) B2 (At Close Sr.)	$252M (Part 2/3)	TL B		11/06/2012	LIB+525		525.0/NA	SBO

COMMENTS: First lien facility. Pricing: OID = 98.5 - 99.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
	Caa2 (At Close Bank Loan) Caa2 (Curr Bank Loan) B2 (At Close Sr.)	$110M (Part 3/3) (Sec'd)	TL		11/06/2012	LIB+900	Upfr 200	900.0/NA	SBO

COMMENTS: Second lien facility. Pricing: Libor floor = 1.25%. OID = 98. Collateral: Unknown.

M&A DEALS cont'd

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
SMITH-COOPER INTERNATIONAL INC Los Angeles, CA $50M SIC 5051, 5085 (Metals service centers and offices) PARTIAL		$84M (Sec'd)	Loan		11/05/2012			NA/NA	LBO

SPONSOR(S): Blue Point Capital Partners.

LEAD LENDERS: NXT Capital LLC - Admin. Agent/Lead Arranger

COMMENTS: Proceeds are to fund Blue Point Capital Partners'buyout co. Collateral: Unknown. Assignments: Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
WESCO INTERNATIONAL INC Pittsburgh, PA $6.13B SIC 5063 (Electrical apparatus/ equipment) PARTIAL	BB-/Ba3 (Sr.)	$750M	TL B		11/02/2012			NA/NA	Takeover

Financials [Pro-Forma]

COMMENTS: Credit will finance co.'s CAD $1.14B acquisition of EECOL Electric Corporation. Leverage Ratio: 2.2x (as of the end of 3Q12). Assignments: Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
WILSONART LLC Temple, TX SIC 2821 (Plastics materials, synthetic resins & nonvulcanizable elastomers) PARTIAL	B+/B2 (Sr.)	$900M (PACKAGE)							LBO

SPONSOR(S): Clayton Dubilier & Rice Inc.

LEAD LENDERS: Barclays - Arranger, Citigroup - Arranger, Credit Suisse AG - Arranger, Deutsche Bank AG - Arranger/Lead Arranger, Goldman Sachs & Co - Arranger, Morgan Stanley - Arranger, UBS AG - Arranger

COMMENTS: Credit will back co.'s buyout by Clayton, Dubilier & Rice. Deutsche Bank is leading the deal, joined by Barclays, Citigroup, Credit Suisse, Goldman Sachs, Morgan Stanley, and UBS. Assignments: Pro Rata = n.

RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
B+/B2 (At Close Bank Loan) B+/B2 (Curr Bank Loan) B+/B2 (At Close Sr.)	$175M (Part 1/2)	RC	60	11/02/2012 11/02/2017			NA/NA	LBO
B+/B2 (At Close Bank Loan) B+/B2 (Curr Bank Loan) B+/B2 (At Close Sr.)	$725M (Part 2/2)	TL B	84	11/02/2012 11/02/2019		Upfr 100	NA/NA	LBO

COMMENTS: Initially, the co. planned a $425M TLB and $300M in unsecured notes due 2020, but the notes were scrapped and the TLB was upsized by the planned bond amount to $725M. Pricing: Price talk is at LIB+425-450 (from LIB+375-400 range). Libor Floor = 1.25%. OID = 99.

LEVERAGED DEALS

Non-M&A loans with LIBOR spreads ≥ 275bp.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
ACADEMY SPORTS & OUTDOORS Katy,TX SIC 5941 (Sporting goods and bicycle shops) REFI CREDIT		$840M (Sec'd)	TL B		11/06/2012	LIB+325		325.0/NA	Corp. purposes

ADDITIONAL BORROWER(S): Academy Sports & Outdoors.

SPONSOR(S): KKR & Co.

LEAD LENDERS: Morgan Stanley - Admin. Agent/Lead Arranger, Barclays Bank Plc - Documentation Agent/Lead Arranger, Credit Suisse AG - Documentation Agent/Lead Arranger, Goldman Sachs & Co - Documentation Agent/Lead Arranger

COMMENTS: Credit reprices co.'s existing $840M TLB from July 2011. Facility is covenant-lite. Pricing: (See grid). Libor floor = 1.5%. Collateral: Unknown. Assignments: Pro Rata = n.

(Deal cont'd on next page)

Non-M&A loans with LIBOR spreads ≥ 275bp.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
ACADEMY SPORTS & OUTDOORS CONT'D				Level 1 2	Debt/CF > or =2.2 <2.2	LIB+ 325 300			

Pricing is as indicated initially, tied to co.'s secured leverage ratio thereafter.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
AMERICAN CAPITAL LTD Bethesda, MD $591M SIC 6726 (Investment offices) REFI CREDIT	B/B2 (Sr.)	$600M (Sec'd)	TL B	48	08/22/2012 08/22/2016	P+325 LIB+425	Upfr 50 Cancel 100	425.0/NA	Corp. purposes

GUARANTOR(S): Certain co.'s subsidiaries acted as guarantors.

LEAD LENDERS: JP Morgan & Co - Admin. Agent/Lead Arranger, Bank of Montreal - Syndications Agent/Lead Arranger, UBS Securities LLC - Syndications Agent/Lead Arranger, Citibank - Co-agent, Credit Suisse AG - Co-agent, Goldman Sachs & Co - Co-agent

COMMENTS: Credit refinances co.'s existing credit agreement dated 06/28/10. Credit comes in conjunction with a $250M RC agreement. JP Morgan Securities LLC, BMO Capital Markets Corp. and UBS Securities LLC acted as joint bookrunners and joint lead arrangers. Law Firms: Winston & Strawn LLP (for borrower). Milbank, Tweed, Hadley, & McCloy LLP (for lender). Pricing: Overdue rate = +200 bps. Prime floor = one month LIBOR plus 100 bps. LIBOR floor = 1.25%. OID = 99.5. Facility has a 101 soft-call protection. Security: Borrowing base = the sum of advance rates for each portfolio investment type, plus an agreed portion of the adjusted EBITDA of American Capital LLC and an agreed portion of shared cash. Collateral: Unknown. Repayments: 4 Ann. installs. of $150M beg. 08/22/2013. Prepayments: Excess CF Sweep = 100%. Debt Iss. Sweep = 100%. Collateral Release for assets with fair value = 51%. Indicated excess CF sweep required in the event that borrowing base coverage is <150% and accumulated borrower excess cash flow as of the end of each quarter is >=$20M. Amount Reduction = 100%. Guarantor Release = 66.67%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Collateral Release = 66.67%. Assignments: Company consent required, Agent consent required. Assign. min. = $1M. Assign. fee = $3,500. Pro Rata = n. Avg. life = 2.5 yrs.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
AMERICAN CAPITAL LTD Bethesda, MD $591M SIC 6726 (Investment offices) REFI CREDIT	B/B2 (Sr.)	$250M (Sec'd)	RC	48	08/22/2012 08/22/2016	P+275 LIB+375	Com 50	375.0/50.0	Corp. purposes

GUARANTOR(S): Certain co.'s subsidiaries acted as guarantors.

LEAD LENDERS: JP Morgan (20%) - Admin. Agent/Lead Arranger, BMO Capital Markets Financing Inc (20%) - Syndications Agent/Lead Arranger, UBS AG (20%) - Syndications Agent/Lead Arranger, Bank of America (10%) - Managing Agent, Citibank (10%) - Co-agent, Credit Suisse AG (10%) - Co-agent, Goldman Sachs & Co (10%) - Co-agent

COMMENTS: Credit refinances co.'s existing credit agreement dated 06/28/10. Credit may be increased up to $375M. Credit comes in conjunction with a $600M TL agreement. JP Morgan Securities LLC, BMO Capital Markets Corp. and UBS Securities LLC acted as joint bookrunners and joint lead arrangers. Law Firms: Winston & Strawn LLP (for borrower). Milbank Tweed Hadley & McCloy LLP (for lender). Pricing: Overdue rate = +200 bps. Prime floor = one month LIBOR plus 100 bps. No LIBOR floor. Reductions: Credit must be repaid beginning on 09/22/15 and every calendar month thereafter by an amount equal to 1/12 of the aggregate outstanding as of 08/22/15. Security: Borrowing base = sum of advance rates for each portfolio investment type, plus an agreed portion of the adjusted EBITDA of American Capital LLC and an agreed portion of shared cash. Financial Covenant(s): Max. leverage ratio of 0.75:1. Min. adjusted EBITDA of $50M for the trailing 12-month period plus an additional amount equal to 20% of the borrower's portion of American Capital LLC's share of additional management fees from equity raises after 06/30/12 by American Capital Agency Corp. and American Capital Mortgage Investment Corp. Collateral: Unknown. Prepayments: Collateral Release for assets with fair value = 51%. Amount Reduction = 100%. Guarantor Release = 66.67%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Collateral Release = 66.67%. Assignments: Company consent required, Agent consent required. Assign. min. = $5M. Assign. fee = $3,500. Pro Rata = y.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
BEAZER HOMES INC Atlanta, GA $742M SIC 1521, 1522 (Single-family housing construction) REFI CREDIT	CCC/Caa3 (Sr.)	$150M (Sec'd)	RC	36	09/24/2012 09/24/2015	P+350 LIB+450	Com 75 SBLC 450	450.0/75.0	Work. cap. Corp. purposes

ADDITIONAL BORROWER(S): Credit is arranged for Beazer Homes USA Inc.

GUARANTOR(S): Company's subsidiaries acted as guarantors.

LEAD LENDERS: Credit Suisse AG, Cayman Islands Branch (30%) - Admin. Agent/Lead Arranger

COMMENTS: Credit amends and restates co.'s existing credit agreement dated 08/05/09. Credit may be increased up to $200M. Credit Suisse Securities (USA) LLC acted as sole lead arranger and joint bookrunner. Goldman Sachs Lending Partners LLC, Deutsche Bank Securities Inc. and UBS Securities LLC acted as joint bookrunners. Law Firms: King & Spalding LLP, Hogan Lovells US LLP, Holland & Knight LLP, Barnes & Thornburg LLP, Walsh Colucci Lubeley Emerich & Walsh PC, Greenbaum Rowe Smith & Davis, Tune Entrekin & White PC and Troutman Sanders LLP (for borrower). Pricing: Overdue rate =+200 bps. Prime floor = one month LIBOR plus 100 bps. No LIBOR floor. Co. pays an undisclosed SBLC issuance fee. Option(s): $150M LC. Financial Covenant(s): Min. aggregate book value of housing collateral to aggregate commitments ratio of 1.5:1. Min. aggregate book value of all collateral

(Deal cont'd on next page)

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE

Non-M&A loans with LIBOR spreads ≥ 275bp.

BEAZER HOMES INC
CONT'D

to aggregate commitments ratio of 5:1. Min. liquidity of: i) 25M, if co.'s interest coverage ratio >=1.5:1 and housing collateral ratio >=1.75:1; ii) $50M if co.'s interest coverage ratio >=1:1 but <1.5:1 and housing collateral ratio >=1.75:1; and iii) $100M in all other cases. Collateral: All Assets. Prepayments: Amount Reduction = 100%. Guarantor Release = 100%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Collateral Release = 100%. Assignments: Company consent required, Agent consent required. Assign. min. = $2.5M. Assign. fee = $3,500. Pro Rata = y.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
IPREO LLC New York, NY SIC 6282 (Investment advice) REFI CREDIT	B+/B1 (Sr.)	$170M (PACKAGE)							Corp. purposes

LEAD LENDERS: Royal Bank of Canada - Arranger/Lead Arranger

COMMENTS: Proceeds will reprice existing $170M loan from July 2011. Pricing: Libor floor = 1.25%. OID = 99. Assignments: Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
		$150M (Part 1/2)	TL	72	11/06/2012 11/06/2018	LIB+525	Upfr 100	525.0/NA	Corp. purposes
		$20M (Part 2/2)	TL	72	11/06/2012 11/06/2018	LIB+525	Upfr 100	525.0/NA	Corp. purposes

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
MEDLEY CAPITAL CORP New York, NY $14.6M SIC 6726 (Investment offices) REFI CREDIT		$187.5M (PACKAGE)							Corp. purposes

LEAD LENDERS: ING Bank - Admin. Agent/Lead Arranger

OTHERS IN DEAL: Barclays Bank SA, Credit Suisse, DoralBank, EverBank Financial Corp, Goldman Sachs Bank USA, OneWest Bank, UBSAG

COMMENTS: Credit amends co.'s existing RC dated 08/04/11 and creates an add-on TL. Credit may be increased via RC or TLs up to the lesser of $300M and 100% of co. and subsidiary guarantors' net worth. ING Capital LLC acted as arranger and bookrunner. Law Firms: Dechert LLP and Morrison & Foerster LLP (for borrower). Paul Weiss Rifkind Wharton & Garrison LLP (for lender). Pricing: Default rate = +200 bps. Prime floor = three month LIBOR plus 100 bps. No LIBOR floor. Financial Covenant(s): Min. interest coverage ratio of 2.5:1. Net Worth = $175M. Min. stockholder's equity = greater of (i) 55% co.'s consolidated total assets and (ii) $210,830,000 plus 50% of net proceeds from equity issuances. Min. asset coverage ratio of 2.25:1. Co. will not allow the value of eligible portfolio investments that can be converted to cash in <10 business days without more than a 5% change in price to be <10% of the covered debt amount for more than 30 business days during any period when the adjusted covered debt balance is >90% of the adjusted collateral base. Prepayments: Assets Sales Sweep = 100%. Debt Iss. Sweep = 100%. Equity Iss. Sweep = 50%. Insurance Proceeds Sweep = 100%. For RC facility only, Required Lenders = 100% if two lenders, 66.67% if three lenders. Return of Capital Sweep = 100%. Indicated asset sales sweep and insurance proceeds not required if aggregate proceeds <=$2M. Indicated equity issue sweep not required if aggregate proceeds <=$2M from equity issuances to managers, partners, members, directors, officers, employees or consultants of the investment advisor. Indicated prepayments apply to RC only. Amount Reduction = 100%. Margin Reduction = 100%. Tenor Extension = 100%. Dividends are materially restricted. Required Lenders = 51%. Term Changes = 100%. Collateral Release = 66.67%. Assignments: Company consent required, Agent consent required. Assign. min. = $1M. Assign. fee = $3,500. Pro Rata = n.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
		$132.5M (Part 1/2) (Sec'd)	RC	36	08/31/2012 08/31/2015	P+275 LIB+375	Com 100	375.0/100.0	Corp. purposes

COMMENTS: Facility may be extended for an additional one-year period. Pricing: (See grid). Co. pays indicated commitment fee of 100 bps if RC usage <=50% of total commitment, 50 bps otherwise. Collateral: All Assets.

Level	Stock holders equity	P+	LIB+
1	<350	275	375
2	> or =350	225	325

Pricing is as indicated initially, tied to co.'s consolidated stockholders equity (in $M) thereafter.

BORROWER	RATINGS	AMOUNT	TYPE	MATUR.	ACT./EXP.	SPREADS	FEES	AIS*	PURPOSE
		$55M (Part 2/2) (Sec'd)	TL	60	08/31/2012 08/31/2017	P+300 LIB+400	Cancel 200	400.0/NA	Corp. purposes

GUARANTOR(S): Co.'s subsidiaries acted as guarantors.

COMMENTS: Pricing: Co. pays cancellation fee of 200 bps thru year 1, 100 bps thru year 2. Collateral: All Assets. Repayments: $55M install. on 08/31/2017. Avg. life = 5 yrs.

OSG refinancing teeters as advisers hired for potential bankruptcy

– *by Billy Cheung*

Facing a looming $1.5 billion maturity on its main credit line next February, Overseas Shipholding Group (OSG) has hired Chilmark Partners and Proskauer Rose for financial and legal advice, respectively, to prepare for a potential Chapter 11 filing, according to multiple sources. The company also announced October 22 that a lingering tax issue, which caused a board of director to resign last month, has rendered the last three years as well as this year's financial statements unreliable. This disclosure may preclude OSG from accessing a smaller $900 million replacement credit facility put in place to address the mandatory February refinancing. Signed in May 2011, that credit line cannot be drawn until February.

OSG may have less time to negotiate an out-of-court deal than implied by the February date. Stricter financial covenants governing the new $900 million credit facility, which would exclude treasury stock from net worth calculations, kick in at the end of the year. The lack of dependable financial statements and tax information may throw those covenant calculations into doubt and breach certain representations and warranties in the revolver credit agreement. Lenders behind this "forward start" credit facility could justify withholding funding.

"Besides struggling to quantify the magnitude of the tax issue, the lenders behind the $900 million facility may not be able to reconcile the financial and tax reps and warranties with this week's 8k disclosures," said Robert Burns, head of Bracewell & Giuliani's Maritime Finance and Restructuring practice group. "There is a real possibility that the forward start facility is unavailable in which case OSG would likely have to start over with its refinancing."

Even prior to the financial bombshell, the lenders behind the $1.5 billion credit line had retained Lazard and White & Case for restructuring talks. At the beginning of the year, OSG was one of the largest publicly traded oil tanker companies.

The company has been signaling its intention to refinance since early this year on earnings calls but has made little progress. To bolster liquidity and perhaps use as negotiating leverage against the various lenders, OSG fully drew upon the $1.5 billion revolver in July. The company disclosed $227 million of cash on its balance sheet as of June 30.

Banks in the $1.5 billion revolver lending syndicate are becoming increasingly impatient with some lenders looking to cut bait.

Multiple sources said one lender recently sold its $60 million piece of the $1.5 billion revolver at 85 cents on the dollar. Another chunk of the revolver north of $100 million is actively being shopped to large hedge funds as well.

According to public filings, the syndicate banks originally committing the $1.5 billion include the following: DnB NOR Bank, Nordea, Citibank, HSBC, Lloyds TSB, Bayerische Hypo-und Vereinsbank, Royal Bank of Scotland, HSH Nordbank, Swedbank, Deutsche Schiffsbank, Fortis, Sumitomo Mitsui, Santander, Bank of Ireland, Calyon and ING.

While OSG's near-term and replacement revolvers have been closely held until recently, distressed investors are angling to find an appropriate entry point to extract value from the company.

Dealers are quoting the $1.5 billion and $900 million revolvers in the low-80s and low-70s, respectively.

Distressed funds may find it easier to pry loose the company's unsecured bonds due 2018 and 2024, which historically have had more trading liquidity. Dealers are marking these bonds at around 31 cents on the dollar on Thursday, down 10 points from last Friday.

These trading levels suggest bond investors pricing in a default as the unsecured bonds would rank equally in seniority when bondholders press for their economic claim on the company's assets. Given the liquidity issues and difficult near-term oil tanker shipping environment, bondholders would likely not receive coupon interest payments in a potential OSG bankruptcy and not recognize differences in bond coupon and maturity.

Pricing revealed on Kinetic

Kinetic Concepts Inc revealed pricing and amendment terms on its new $2.5 billion repricing, sources said.

The credit consists of a $200 million revolver maturing November 4, 2016, a $1.618 billion TLC-1 maturing May 4, 2018, a 248 million euro TLC-1 maturing May 4, 2018, and a $323 million TLC-2 maturing November 4, 2016.

The TLC-1 is talked at LIB+400-425. The euro TLC-1 is talked at E+425-450, while the TLC-2 is talked at LIB+375-400.

The dual-currency TLC-1, along with the TLC-2, will all have 1.25 percent Libor floors, in line with existing terms. The term loans will amortize at the standard 1 percent.

With the new deal, Kinetic will reset 101 soft call protection for one year.

The amended credit will also provide additional flexibility to repurchase existing bonds. The company is proposing a $250 million basket to allow for the repurchase of senior secured second-lien notes, and senior unsecured notes.

Existing corporate family ratings are B2/B, while facility ratings are Ba2/BB-.

Commitments and amendment consents will be due at 5 p.m. October 30.

Bank of America Merrill Lynch leads the deal, joined by Morgan Stanley, Credit Suisse, RBC, and UBS.

In October 2011, Kinetic finalized terms on its LBO loan, comprising a $200 million, five-year revolver, a $1.63 billion, 6.5-year U.S. term loan B, a 250 million euro, 6.5-year term loan B and a $325 million, five-year term loan C.

Pricing on the U.S. TLB firmed at 575bp over Libor, with a 1.25 percent Libor floor and a discount of 96.5 cents on the dollar. Pricing on the euro TLB landed at 575bp over Euribor with a 1.25 percent Euribor floor and a 95.5 original issue discount. The revolver priced at 575bp with no Libor floor.

Meanwhile, the TLC priced at 525bp over Libor with a 1.25 percent Libor floor and a discount of 97 cents on the dollar.

The U.S. and euro TLBs are non-callable for the first year and then have 101 soft call protection for one year. Previously, these loans featured soft call protection of 102 and 101 in the first and second year, respectively.

The TLC has 101 soft call protection for one year.

Proceeds of that loan backed KCI's $6.3 billion buyout by Apax Partners, the Canada Pension Plan Investment Board and the Public Sector Pension Investment Board.

Bank of America Merrill Lynch, Morgan Stanley, Credit Suisse and RBC arranged the loan, while UBS was a co-manager.

Headquartered in San Antonio, Texas, Kinetic Concepts develops, manufactures, and markets therapies and products for the wound care, tissue regeneration and therapeutic support system markets. *– NW/MS*

Kronos shifts size

Kronos Inc upsized its first-lien term loan to $1.21 billion, from $1.16 billion, sources said.

At the same time, Kronos downsized its second-lien term loan to $690 million from $750 million.

A $65 million, five-year revolving credit is unchanged.

The $1.21 billion, seven-year, first-lien term loan is talked at LIB+425bp, with a 1.25 percent Libor floor and a 99.5 OID. This is tightened from a 99 OID previously.

(**NEWS** *cont'd on page 18*)

Monroe Capital Corp prices IPO

– by Leela Parker

Business development company Monroe Capital Corp priced its initial public offering at $15 per share, raising approximately $75 million in gross proceeds.

Monroe Capital Corp's IPO makes it the first BDC to price in a year and a half, said Ted Koenig, president and CEO of middle market lender Monroe Capital.

On Tuesday, Monroe announced it would increase the size of its IPO in response to a tremendous amount of investor demand, Koenig said.

The company issued 5 million shares of its common stock, raising approximately $75 million or roughly $10 million more than previously expected, noted Koenig.

Monroe Capital Corp is listed on the NASDAQ Global Market under the ticker MRCC.

Monroe Capital Corp is an affiliate of Chicago-based Monroe Capital LLC, a private investment firm providing senior and junior debt and equity co-investments to middle market companies in the U.S. and Canada.

Monroe lends to lower middle market companies with under $25 million in Ebitda. It provides a range of investments, including unitranche financings, cash flow and enterprise value based loans, acquisition facilities, mezzanine debt, second lien or last-out loans and equity co-investments.

In addition to the public BDC, Monroe's investment platform also includes private institutional funds as well as an existing collateralized loan obligation (CLO).

Proceeds from the BDC will be used to provide senior, unitranche, junior secured debt, unsecured subordinated financing and equity financing to middle market companies in the U.S. and Canada, the company said.

A portion of the net proceeds will be used to pay the outstanding balance on a term loan facility it incurred in order to acquire its initial portfolio.

As part of the offering, Monroe Capital Corp sold 470,000 shares of its common stock at the public offering price of $15.00 per share directly to Monroe Capital BDC Advisors LLC, the company's investment adviser, their respective affiliates and employees.

The first-lien includes 101 repricing protection.

The $690 million, 7.5-year, second-lien term loan is talked at LIB+850, with a 1.25 percent Libor floor and a 99 OID.

The second-lien boasts call protection of NC-1, then 103, 102, 101. This is sweetened from 103, 102, 101 previously.

Change of control is permitted, subject to 6.75 times gross total leverage.

Call protection on the second-lien will be reset to 103,102,101 if there is a permitted change of control in year two of the deal.

The refinancing/dividend recap loan is covenant-lite.

Credit Suisse leads the deal.

In December 2011, Kronos entered into a $370 million incremental loan priced at LIB+500 with a 1.25 percent Libor floor. The add-on term loan came alongside a concurrent amendment and extension of the company's existing loans. Proceeds from the $370 million incremental first-lien TLB, was used to partially pay a $551 million equity distribution to the company's sponsors Hellman & Friedman and JMI Equity.

Kronos is a provider of human capital management solutions. *– NW*

Tempur-Pedic to launch

Tempur-Pedic Intl Inc is coming to market October 31 with a new $1.77 billion facility, sources said.

Bank of America Merrill Lynch will launch the credit at 9 a.m.

The credit will consist of a $770 million, seven-year term loan B, a $650 million, five-year term loan A, and a $350 million revolver.

On September 27, Tempur-Pedic announced that it is acquiring Sealy Corp for $2.20 per share, or $1.3 billion total transaction value including the assumption of debt.

The acquisition and the refinancing of all of Tempur-Pedic's existing debt will be funded with the new credit, alongside a $350 million senior unsecured note issuance.

The acquisition is expected to close in the first half of 2013.

Lexington, Kentucky-based Tempur-Pedic is a manufacturer, marketer, and distributor of mattresses and pillows. *– NW*

Walter launches refi loan

Walter Investment Management Corp launched October 26 a $700 million credit. The new $600 million, five-year term loan B is talked at LIB+475-500, with a 1.25 percent Libor floor and a 99 OID.

The loan will carry 101 repricing protection, and will amortize at 5 percent annually.

A $100 million, five-year revolver rounds out the deal.

The new credit will include covenants for maximum leverage and minimum interest coverage.

Proceeds will repay the company's existing first-lien term loan (about $444 million outstanding at June 30, 2012), and back potential growth opportunities and general corporate purposes, according to a company press release.

Credit Suisse leads the new refi for the mortgage servicer.

In June 2011, Walter priced an $810 million loan to back Walter's $1.065 billion acquisition of Green Tree Credit Solutions Holdings LLC.

The credit also refinanced the December 2009 credit agreement among GTCS Holdings LLC, Green Tree Credit Solutions LLC and Deutsche Bank Trust Company Americas.

That deal included a $45 million, five-year revolver, a $500 million, five-year first-lien term loan, and a $265 million, 5.5-year second-lien term loan.

That first-lien loan priced at LIB+625 with a 1.5 percent Libor floor and 98 OID. The first lien was initially launched at LIB+525 with a 1.5 percent Libor floor and a 99 OID.

The second-lien firmed at LIB+1100, with a 1.5 percent Libor floor and a 98 OID.

This is flexed up from initial talk of LIB+900 with a 1.5 percent Libor floor and 99 OID.

Credit Suisse, joined by RBS, Bank of American and Morgan Stanley syndicated those acquisition loans.

Walter Investments, based in Tampa, Florida, is an asset management and mortgage servicing company. *– NW*

CHG launches buyout loan

CHG Healthcare Services is launching October 30 a $765 million, covenant-lite credit. Goldman Sachs will launch the deal at a bank meeting at Le Parker Meridien in New York.

The deal includes a $100 million revolver maturing 2017, a $450 million first-lien term loan maturing 2019, and a $215 million second-lien term loan maturing 2020.

The new loan backs CHG Healthcare Services' buyout by private equity firms Leonard Green and Ares Management.

As reported by Reuters on October 22, the sponsor to sponsor buyout deal could top $1 billion. Leonard Green and Ares are acquiring control of CHG from J.W. Childs Associates LP.

A source familiar with the matter, while not disclosing the value of the deal, said buyout firm J.W. Childs Associates stood to make five times the money it invested to take over the company in 2006, according to Reuters.

CHG said existing management would retain a significant equity interest in the company.

Salt Lake City, Utah-based CHG Healthcare is a healthcare staffing firm. *– NW*

THIS WEEK IN NEWS

Table set for rise in M&A activity

– by Natalie Wright

Merger and acquisition activity is widely expected to crank higher over the next several months given the favorable interest rates currently available in the leveraged credit market and the substantial amount of dry powder private equity firms are still sitting on.

M&A volume, including leveraged buyouts, has taken a backseat to refinancing this year, but the tide has shifted in recent months. M&A constituted over 30 percent of institutional volume in the third quarter of 2012, up from 14.7 percent in the first quarter, according to Thomson Reuters LPC. Refinancing volume has dropped from 62 percent in the first quarter, to under 50 percent in the third quarter.

"What I see beyond the very near term, is M&A activity, which could pick up with low interest rates, supplemented by refinancings as bonds become callable," said one credit analyst.

Market participants expect that pressure on private equity companies to invest dry powder will continue to push leveraged buyout volumes over the next few months.

"A lot of capital commitments were made to private equity funds in 2007 or the beginning parts of 2008," said a leveraged loan strategist. "The investment period for those vintage funds is running out," he said, adding that investment periods are generally five years.

"Not calling all committed capital is an anathema to private equity managers."

Bill Halloran, head of Bain & Co's private equity practice in the Americas, also believes that the favorable factors driving M&A and LBO activity over the last few months should persist into 2013.

"Dry powder is just over $900 billion globally," said Halloran. "It peaked in late 2008, but has actually come down since then," he added, noting the healthy LBO activity in recent months.

Halloran also pointed to a recovery in equity markets from earlier this year, and strong demand from leveraged loan investors. In particular, sponsor to sponsor trends are favorable.

"Credit markets are healthy and equity markets are improving. It is good to be a seller," said Halloran. "Furthermore, private equity ends up being an attractive buyer, because attractive terms are available in the lending markets."

"Private equity firms want to be able to give money back to the Limited Partners, while going back to ask them for new fundraising," said Halloran, noting that today's funding environment is tough and highly competitive.

Market strategists said that private equity firms are also sniffing for public companies with growth potential beyond management's prospects.

"Public companies generally make attractive LBO targets because they are either market leaders with little debt, or underperforming assets with potential to improve," said one private equity strategist.

In addition to LBOs, strategic, corporate M&A is also set to benefit from leveraged loan investors itching for new paper.

"There is pressure to grow as a public company, and growth will come from a combination of organic growth and acquisitions," said Bob Bartell, managing director and head of financial sponsor coverage practice, Duff & Phelps Securities LLC. "The key is acquisitions for product line and service line expansion and geographical expansion. Hence, the public companies are buyers to fill their growth needs, and the private equity firms are sellers to generate realizations."

Binders full of dividend recaps

Dividend recap loans flared up in the third quarter, as private equity companies opted to take money off the table. Dividend recaps made up nearly $7 billion of institutional loan volume in the third quarter, or about 9 percent of total. This is up from 5 percent in each of 1Q12 and 2Q12.

"Private equity sellers are pushing to sell before year end," said one private equity strategist. "If it is unreasonable to close a sale in 2012, many companies will opt to do a special dividend financed by new borrowings."

Middle market names are especially pushing to exit this year, similar to late 2010, given expectations of a less favorable capital gains tax environment next year, sources said.

The private equity strategist added that private equity firms are holding onto portfolio companies longer, as many owners are familiar with management and their portfolio, and some still face a bottleneck in agreeing with buyers on valuations.

"It's 'love the one you're with,'" said one strategist. "Companies are pushing out the duration on their own companies, and the leveraged market is allowing big dividends because the debt markets are so favorable."

Additionally, concerns over tax changes are pushing companies to finish up their dividend recap deals this year.

"It's a mad dash prior to the election, playing the odds that dividend tax rates will go up this year and get the financings done before some banks blow up next year," said one credit analyst.

Frisco readies $1.5B loan

Mexico's mining company Minera Frisco S.A. de C.V. is expected to tap the New York market November 1 with a $1.5 billion, five-year senior secured term loan. Bank of America Merrill Lynch is leading the deal that will back the mining concern's S$723 million acquisition of AuRico Gold de México, S.A. de C.V.

The facility will launch at the New York Palace in New York City. It is expected to launch in Mexico at the JW Marriot on October 31.

Proceeds from the facility will back the purchase of 100 percent of the outstanding equity interests in AuRico, finance a $27 million equity contribution relating to Nayarit Gold de Mexico and refinance up to $350 million in debt, sources said.

On October 9, both companies said they had entered a definitive agreement pursuant to which Frisco will acquire AuRico's Ocampo mine and the adjacent exploration projects "Venus" and "Los Jarros" all located in Chihuahua State, Mexico and a 50 percent interest in the Orion project located in Nayarit State, Mexico. The transaction is expected to close in December 2012.

Frisco is a Mexican mining company that was spun out of Carlos Slim's Grupo Carso S.A. de C.V. in November 2010. The company is listed on the Mexican Stock Exchange with a current market capitalization of approximately $10.7 billion, according to a release. Grupo Carso continues to hold a majority stake in Frisco.

AuRico Gold is a Canadian gold producer with a diversified portfolio of high quality mines and projects in North America. *– MS*

Oak Hill prices $770M CLO

Oak Hill Advisors priced a $770 million CLO via Bank of America, sources said. Earlier, the CLO was increased from $514 million.

Pricing and tranching on the OHA Credit Partners VII Ltd CLO follows below:

CL	Size ($Mils.)	Rating	Coupon	DM
X	4.5	AAA/Aaa	100	00
A	461.0	AAA/Aaa	142	142
B-1	87.0	AA/NR	225	225
B-2	15.0	AA/NR	3.55%	
C-1	34.0	A/NR	325	325
C-2	20.0	A/NR	4.62%	
D	38.5	BBB/NR	400	500
E	36.0	BB/NR	500	675
Sub	74.0		Not offered	

(*NEWS* cont'd on page 20)

Year-to-date CLO issuance stands at roughly $38 billion. *– CF*

Warner flexes TLB

Warner Music Group cut pricing on its new $600 million first-lien term loan amid an oversubscription, sources said.

Pricing on the six-year TLB is now LIB+400, with a 1.25 percent Libor floor and a 99 OID. This is revised from LIB+475-500, with a 1.25 percent Libor floor and a 99 OID.

Additionally, size on the covenant-lite TLB size was cut from an initial $630 million.

Five percent annual amortization and 101 soft call protection is unchanged.

A $150 million revolving credit due 2017 rounds out the deal.

Corporate family ratings are B1/B+, while facility ratings are Ba2/BB-.

Proceeds will go to refinance existing debt.

Credit Suisse leads the deal.

Warner Music Group is home to record labels including Asylum, Atlantic, East West, Elektra, Nonesuch, Reprise, Rhino, Roadrunner, Rykodisc, Sire, Warner Bros. and Word. *– NW*

Blackboard outlines talk

Blackboard Inc's repricing loan is talked at LIB+475 with a 1.5 percent Libor floor, sources said. The loan will be issued at par.

The issuer launched a $500 million repricing deal October 23 via Bank of America Merrill Lynch. The term loan B-2 will mature October 4, 2018, in line with the existing.

Proceeds will reprice a portion of the company's existing term loans. Corporate family ratings are B2/B, while facility ratings are B1/B+.

Commitments will be due October 29.

In April, Blackboard priced a $60 million add-on to its first-lien term loan.

Pricing on that Bank of America Merrill Lynch-led loan cleared at LIB+600 with a 1.5 percent Libor floor, in line with the existing loan.

The maturity on the add-on is Oct. 4, 2018, the same as that on the existing first-lien term loan.

In September 2011, Blackboard's $780 million seven-year first lien term loan cleared at LIB+600 with a 1.5 percent floor with a 92 OID.

Blackboard initially launched that loan at LIB+550 with a 96.5-97 OID and a 1.5 percent floor.

At that time, Blackboard also raised a $350 million second-lien term loan at LIB+1000 with a 1.5 percent floor and a 90 OID.

Both loans were used to back Blackboard's $1.64 billion buyout by Providence Equity Partners.

Blackboard Inc is an education software company which makes dry erase markers, boards and interactive boards used in classrooms and meeting rooms. *– NW*

Viacom looks for A&E

Viacom Inc is asking its lenders for an amendment on a $2.5 billion five-year revolver, sources said. Citi and JP Morgan are leading the deal.

The amendment will allow the company to increase the size of the facility to $2.5 billion from $2.1 billion, extend maturities to November 2017 from December 2015 and update the pricing grid.

As per the terms of the amendment, the loan will pay 12.5 undrawn. If drawn, pricing will be based on the company's five-year CDS with a floor of 50 and a cap of 150.

The proposed pricing grid as follows:

Ratings	Commitment fee	Floor	Cap
(>=) A2/A	8	25	100
A3/A-	10	37.5	125
Baa1/BBB+	12.5	50	150
Baa2/BBB	15	75	175
(<+)Baa3/BBB-	20	125	225

The company is offering a 10bp amendment fee on existing commitments. The company is also offering 15bp on increased commitments.

Consents are due October 29. The amendment will become effective on November 9.

According to LPC data, the company entered on December 2011 a $2.1 billion, four-year revolver that refinanced an existing credit. The credit was upsized from $2 billion during syndication. The loan opened at 12.5bp undrawn. Drawn pricing is based on the company's four-year CDS with a floor of 50bp and a cap of 150bp.

The existing pricing grid as follows: Ratings Undrawn Floor Cap

Rating	Commitment Fee	Floor	Cap
A/A2	8	25	100
A-/A3	10	37.5	125
BBB+/Baa1	12.5	50	150
BBB/Baa2	15	87.5	187.5

JP Morgan, Citi and Bank of America Merrill Lynch led the deal.

Viacom is a global entertainment content company. Its networks include networks include MTV, VH1, Nickelodeon and Comedy Central. *– MS*

Tallgrass introduces changes

Tallgrass Energy Partners made changes on its $250 million delayed draw term loan currently in market, sources said.

The six-year DDTL now has a 100bp undrawn fee, versus 50bp previously, and a 75bp Libor floor has been added. Price talk on the DDTL remains at LIB+400 with a 99 OID.

The $250 million, six-year delayed-draw term loan will have funding available after 18 months. Final size on the DDTL is not confirmed at this point, sources note.

Amortization on the DDTL will be 10 percent in 2015, 15 percent in 2016, and 20 percent in 2017.

In addition to the DDTL, the deal includes an $875 million, six-year term loan B. That loan is talked at LIB+400, with a 1.25 percent Libor floor and a 99 OID.

The TLB will offer 101 soft call protection for 1 year.

A $150 million, five-year revolver rounds out the deal.

Barclays leads the senior secured credit facilities.

Tallgrass Operations, LLC is the borrower on the loan.

Senior secured and total leverage come in at 3 times.

Proceeds will back the company's acquisition of Kinder Morgan Interstate Gas Pipeline system, the 50 percent share of Rockies Express Pipeline (REX), and other pipeline assets.

On August 20, Tallgrass announced a purchase and sale agreement with Kinder Morgan to buy Kinder Morgan Interstate Gas Transmission (KMIGT), Trailblazer Pipeline Company, the Casper-Douglas natural gas processing and West Frenchie Draw treating facilities in Wyoming, and KMP's 50 percent interest in the Rockies Express Pipeline (REX).

The purchase price is about $1.8 billion cash, according to a company press release. Including the proportionate amount of REX debt, the purchase price rises to about $3.3 billion.

The transaction is subject to FTC approval, and is expected to close in the fourth quarter.

Tallgrass Energy is owned by the management team of Tallgrass, private equity firm Kelso & Company, and a limited group of investors led by The Energy & Minerals Group, including Magnetar Capital. *– NW/MS*

Starwood's $1.5B refi taps

Starwood Hotels & Resorts Inc launched October 26 a $1.5 billion, five-year revolver, sources said.

JP Morgan, Citigroup and Bank of America Merrill Lynch are joint lead arrangers and joint bookrunners.

Pricing opens at LIB+110 with a 15bp facility fee.

The pricing grid as follows:

Rating Libor	Margin	Facility Fee
(>=) A-/A3	90	10
BBB+/Baa1	100	12.5
BBB/Baa2	110	15
BBB-/Baa3	130	20

(<)BBB-/Baa3	150	25

The facility will be available for borrowings in other currencies including Euros, Pound Sterling, Australian Dollars, Canadian Dollars, Japanese Yen and Mexican pesos.

It includes letter of credit and swing line borrowing sublimits of $350 million and $150 million, respectively.

According to LPC data, the company entered in April 2010 a $1.5 billion, 3.5-year unsecured revolving credit facility.

Pricing opened at LIB+275 with a 40bp undrawn fee.

Deutsche Bank, JP Morgan and Bank of America Merrill Lynch led the deal. *– MS*

Smart & Final price talk is out

Smart & Final Holdings set price talk on its new LBO loan, backing the company's buyout by Ares Management, sources said. The $510 million, first-lien term loan is talked at LIB+450-475, with a 1.25 percent Libor floor, and a 99 OID. The $210 million, second-lien term loan is talked at LIB+850-875, with a 1.25 percent Libor floor, and a 98-99 OID.

The first lien will boast 101 soft call protection, while the second-lien will carry hard call of 102, 101.

Commitments are due at noon on Friday November 2, sources said.

Ares Management is paying $975 million to buy Smart & Final from Apollo Global Management.

Morgan Stanley, Bank of America, Credit Suisse and Deutsche Bank are serving as joint lead arrangers on the sponsor to sponsor LBO financing.

Smart & Final is a smaller store, warehouse-style, "no membership fee," multi-format retailer serving both households and smaller businesses.

Smart operates 235 stores under three distinct formats: Smart & Final, Smart & Final Extra!, and Cash & Carry. *– NW*

Sirius sets price talk on refi loan

Sirius Computer Solutions set talk of LIB+425-475, with a 1.25 percent Libor floor and a 99 OID on its new term loan B, sources said.

The loan launched via Wells Fargo.

The new loan consists of a $20 million, five-year revolver and a $340 million, six-year term loan B.

Proceeds will go to refinance debt and redeem preferred equity.

Sirius Computer Solutions is an IT solutions integrator for servers, software and services from Cisco, Dell, HP, IBM, NetApp, Red Hat, VMware and more.

The company is headquartered in San Antonio, Texas.

Sirius is a portfolio company of Thoma Bravo. *– NW*

Milk in market with refi loan

Milk Specialties Global is talking its new term loan B at LIB+575, with a 1.25 percent Libor floor and a 99 OID, sources said. The company is in market with a $315 million senior secured credit, consisting of a $35 million, five-year revolver, a $250 million, six-year term loan B, and a $30 million, six-year delayed draw term loan.

Proceeds will refinance existing debt and fund the company's capacity expansion plan, according to a report from Standard and Poor's.

RBC leads the deal.

In December 2011, Milk priced a $125 million first-lien term loan at LIB+700 with a 1.5 percent Libor floor and a 97 OID, and a $60 million second-lien term loan at LIB+1300 with a 1.5 percent Libor floor and a 96 OID. The second-lien loan is NC1, 102, 101.

Proceeds backed the company's buyout by HM Capital Partners. The rest of that RBC-led credit was filled out by a $35 million revolver.

At launch, the deal included a $25 million, five-year revolver, a $145 million, six-year first-lien term loan and a $60 million, seven-year second-lien term loan.

Price talk on the first-lien tranche was LIB+650 with a 1.5 percent Libor floor and a 97-98 OID. The second-lien loan was talked at LIB+1050 with a 1.5 percent Libor floor and a 96-97 OID.

Milk Specialties develops milk based nutritional supplemental products for humans and animals. *– NW*

Web.com taps with repricing

Web.com Group Inc on October 26 repriced its first-lien term loan and revolving credit, according to a company press release.

J.P. Morgan, Deutsche Bank, SunTrust, Goldman Sachs, Citigroup, and Wells Fargo Securities are joint lead arrangers and joint bookrunners.

Web.com will also seek a $10 million increase in its revolver to $60 million.

As of June 30, 2012, Web.com had a balance of $24 million on the revolver, and $558.6 million outstanding on the first-lien term loan, according to a company filing.

In late October 2011, Web.com entered into an $800 million acquisition loan that included a $600 million, six-year term loan, a $150 million, seven-year second-lien loan, and a $50 million, five-year revolver.

Proceeds of that credit facility were used to back the company's $405 million acquisition of Network Solutions.

The second-lien has about $120 million outstanding as of September 30. The company is not seeking to reprice the second-lien.

Web.com Group, Inc. is a provider of internet services for small- to medium-sized businesses. *– NW*

Metals sets $275M refi

Metals USA launched October 25 a $275 million covenant-lite first-lien term loan to refinance existing secured notes, sources said.

The seven-year term loan is talked at LIB+500 with a 1.25 percent Libor floor and a 99 OID.

Credit Suisse leads the deal, along with JP Morgan, Deutsche Bank, Morgan Stanley and Wells Fargo.

Corporate family ratings are B1/B+. Facility ratings are B2/B+.

Commitments are due November 2.

Metals USA is one of the largest metal service centers in the U.S. *– CF*

MMM TLB increases

MMM Holdings upsized its term loan B by $25 million to $475 million, sources said. Proceeds will refinance $257.6 million of existing debt, and with the upsize, back a $218 million dividend.

Price cleared LIB+825, with a 1.50 percent Libor floor and a 98.0 OID, the same terms as at launch.

The TLB matures in 2017, and carries 10 percent annual amortization.

The loan also includes a 75 percent ECF sweep, and call protection of 102, 101.

A $30 million revolver maturing 2017 rounds out the deal.

Covenants on the deal include maximum total leverage, minimum fixed charge coverage, and minimum net worth.

Bank of America Merrill Lynch leads the new refinancing/dividend recap loan.

Citigroup and Jefferies join BAML on the deal.

MMM Holdings is a Puerto-Rico based subsidiary of Aveta Inc.

MMM is the largest for-profit Medicare Advantage HMO provider in Puerto Rico, and the fifth largest in the U.S. based on the number of MA program participants.

MMM was established in 2001.

Aveta's sponsor is Stratus Group. Aveta is a medical management company caring for Medicare beneficiaries and commercial members in Puerto Rico, California and Illinois. *– NW*

(*NEWS cont'd on page 24*)

Patchy loan supply hinders growth of alternate investor base

The patchy supply of loans and lack of pipeline in Australia is hindering the growth of an institutional investor base, though banks' long-term capital costs should eventually help that market to grow.

"In Australia the supply of loans that are suitable for institutional investors has always been patchy, it has never been deep and it is not predictable," said Robin Miller, global head of debt investments at fund manager Industry Funds Management.

Loan volumes for the nine months to September dropped to US$47 billion, down nearly 40 percent from US$75 billion at the same time last year, as borrowers were reluctant to take on more leverage due to the worsening global outlook. And the bulk of those loans were funded by traditional lenders, not fund investors.

The need to diversify the investor base beyond banks is crucial to ensure borrowers have access to multiple sources of funding and avoid any future liquidity crunch. The emergence of funds as a viable source of financing for companies will also ease pressure on lenders who are facing a shrinking balance sheet and higher funding costs.

Institutional investors are slowly recognising the attractiveness of loans compared to traditional government and corporate bonds. "Loans may serve as a good diversified (asset) within a growth portfolio. In addition, we believe the asset class offers attractive risk-adjusted returns," said Sue Wang, senior associate at asset consultant Mercer Investment Consultants in Sydney.

While banks will still be the mainstay for companies, infrastructure borrowers are more suitable for funds given the long-dated nature of the asset -- a match for funds' long-term liabilities. And while fund managers like the asset class, their investments are going to grow modestly over time.

"Infrastructure debt should be a natural home for investors, but we understand that this is only to a degree," said Miller of IFM. "There might be a slow broadening of super funds' interest in the asset type, but this is not going to result in an overnight change."

Illiquid asset

Illiquidity is a key risk for investors as the Australian institutional loan market is in its infancy. "Investors needs to be aware that unlike US and European loans, Australian loans are an illiquid asset class," said Mercer's Wang. And borrowers would have to pay a premium to investors to compensate them for this risk.

Asset consultants provide advice to trustees of superannuation funds on how to spread their investments. Their role cannot be overstated as they are the gatekeepers who determine the asset allocation and shortlist the fund managers they hire.

Certainly the low supply of loans has not deterred a number of new-entry fund managers. One such fund is HarbourVest, based in Hong Kong, which is planning a A$300m (US$312m) loan fund targeted at the leveraged loan market. Australian fund manager Tyndall Asset Management has also publicly stated its intention to start up a new loan fund.

Access to the Australian loan market for most non-bank investors is quite new as the opportunity has only come about because banks are increasingly capital constrained and few fund managers have experience in investing in the loan market. "Few fund managers have a strong track record in the asset class," said Wang.

However, lenders are hopeful of an institutional loan market developing in the long term given new capital adequacy rules on banks and increasing capital cost.

"The lack of flow of loans in the loan market is not ideal for investors looking to feed funds. However, the capital costs of banks and direction of the market will favour banks over the long term," said Stephen Boyd, director, debt markets origination, at National Australia Bank. *– S.K.*

Strong liquidity backs Malaysia syndicated loan activity

Malaysian companies are taking advantage of strong local ringgit liquidity to support acquisition and project financing plans, said bankers.

Malaysia loan volume has reached US$12 billion year to date, according to Thomson Reuters LPC, with the bulk of it, US$8.9 billion-equivalent, raised in Malaysian ringgit.

"In the early development of the domestic capital markets in Asean, there was not enough local liquidity to support corporates' funding needs, thus many went offshore to borrow US$ for their local operations," said David Lim, co-head of debt markets at CIMB.

"But today, local banks are becoming more liquid and companies no longer have to rely solely on foreign banks for foreign currency funding. Local corporates are now able to access domestic capital markets for local currency funding, which is often a better match for companies with revenues denominated in local currency."

Of the US$12 billion in loans raised in Malaysia this year, about 30 percent was raised for acquisition purposes.

Several large-sized acquisition transactions have surfaced this year, including a RM2.05 billion loan for the merger of oil and gas firms SapuraCrest Petroleum and Kencana Petroleum, a RM2.52 billion financing backing Philippine conglomerate San Miguel Corp's purchase of Exxon Mobil's Malaysia assets, and an RM800m bridge loan for DRB-Hicom's takeover of national carmaker Proton Holdings.

"There is a lot of loan growth in Malaysia, not just pure refinancing but event-driven deals as well," said Boey Yin Chong, DBS Bank's managing director of syndicated finance. "This is a sign of vibrancy in the local loan market."

And there were several acquisition deals in the pipeline, including overseas purchases.

On the local front, there was a RM2 billion-plus financing in the works for a leveraged buyout of Malaysia fast-food chain operators KFC Holdings (Malaysia) Bhd and QSR Brands Bhd.

Meanwhile, government-linked pension fund Employees Provident Fund (EPF) is seeking an around 200-300 million pound loan in relation to four UK properties it owns, just months after sealing a 300 million pound loan with respect to three other London properties.

And an EPF consortium is close to sealing a two-year bridge loan of at least 300m pounds backing its purchase of London's Battersea Power Station. The consortium, comprising Sime Darby, SP Setia and EPF, announced the acquisition of the iconic property for 400m pounds in July.

"Increasingly, refinancing may play a smaller role compared to M&A and project financing which will drive loan volume in Malaysia," said Kevin Wong, Bank of Tokyo-Mitsubishi UFJ Singapore's first vice president of loan syndications. "I expect and am hopeful that more projects will provide opportunities to lenders."

Healthy onshore liquidity prompted many corporates to raise funds in domestic currency, which not many foreign banks can compete in.

"It is a challenge for foreign banks in local currency deals, as local banks have higher capital base," said Andrew Sill, RBS Malaysia's country executive. He said there are, however, increasing opportunities in foreign currency deals as many Malaysian companies go overseas for acquisitions. And these overseas acquisitions saw a lot of foreign appetite because of the "rarity value" in Malaysian names.

"If foreign banks want to actively participate in the local markets, they will need to establish a local presence and find local funding sources," Lim said. "As banks begin to compete at the domestic currency funding level, those that are able to access stable and competitive funding sources will hold the advantage." *– J.P.*

Banque PSA asks for 11.5B euro financing

Banque PSA, the financial arm of loss-making French car maker PSA Peugeot Citroen, has asked its bank group to provide a total of 11.5 billion euros in cash facilities, of which 1 billion euros is additional liquidity.

Terms and conditions on the syndicated loans have been agreed and the overall refinancing deal, which also involves French state guarantees for 7 billion euros of bonds, is awaiting European Union clearance, banking sources said.

Banque PSA is rated BBB- by Standard & Poor's and Baa3 by Moody's but is on review for a downgrade from Moody's since the ratings of PSA Peugeot Citroen were cut to Ba3 earlier in October; prompting the move for a refinancing.

PSA Peugeot Citroen said that the main credit facilities have been renegotiated, and that drawdowns are available from 2013 to 2015.

Banque PSA previously announced an increase of its securitization program from 18 percent to 30 percent of total assets including ECB repo-eligible assets.

Banks are reviewing their existing exposure to Banque PSA, which had liquidity reserves of over 7 billion euros at the end of September.

Banque PSA last tapped the loan market in December 2011, when it signed a 2 billion euro, three-year revolving credit facility via bookrunners BBVA, Barclays, BNP Paribas, Credit Agricole CIB, HSBC, Lloyds, Natixis, RBS and Societe Generale.

That backstop loan paid an opening margin of 160bp over EURIBOR and a commitment fee of 40 percent of the applicable margin on undrawn funds. *– AR*

Rosneft to name banks for $45B package

Russia's state-backed oil giant Rosneft is expected to name the coordinating banks on a $45 billion financing package backing its $55 billion purchase of domestic oil producer TNK-BP within days, bankers said.

The banks will co-ordinate multi-billion dollar loan and bond issues for Rosneft to back its part of the deal which will give Britain's BP, one-fifth of Rosneft's shares and two seats on the board.

A coordinating role on the financing package is one of the most high-profile in recent years. Banks are positioning themselves for a close relationship with Rosneft as Russia effectively renationalizes its oil industry.

Rosneft is already Russia's leading oil company and will be pumping more oil and gas than America's Exxon Mobil after the merger.

Banks including Bank of America's Merrill Lynch unit, BNP Paribas, and Citigroup are jockeying for the coordinating role. Barclays, Bank of Tokyo Mitsubishi, Morgan Stanley, Sumitomo Mitsui Banking Corp and Societe Generale are also close to the deal, bankers said.

The loan and bond financing details are expected to be finalized after the bank group is confirmed at the end of the week.

"No one has their calculators out just yet," one European banker said.

The first part of Rosneft's Kremlin-backed acquisition of Russia's third-largest oil firm TNK-BP will fold BP's 50 percent stake into Rosneft.

Rosneft will pay BP $17.1 billion in cash and shares representing 12.84 percent of Rosneft to BP, which will use $4.8 billion of the cash to buy another 5.66 percent of Rosneft.

That will take BP's stake to 19.75 percent including its existing shareholding of 1.25 percent and give it $12.3 billion of cash.

The second stage of the acquisition will see AAR, BP's joint venture partner in TNK-BP, receive $28 billion in cash for its remaining 50 percent stake.

Financing plans

Rosneft has already been looking at financing options related to the TNK-BP deal, including a $15 billion syndicated loan, which would be Russia's largest loan since 2007.

European and international banks have been asked to commit around $1.5 billion each in recent weeks, which would be split between a two-year bridge loan to bond issues and a five-year term loan.

Russia's liquid banks – Sberbank, VTB, VEB and Gazprombank – are also expected to provide billions of dollars of bilateral loans, Russian and European bankers said.

Given the size of the deal and banks' large individual commitments, loan bankers will be seeking a rapid bond market refinancing, possibly before completion of the acquisition in early 2013, bankers said.

"Given how hot the bond market is, I'll think that Rosneft will want to do a bond pretty soon," a second European banker said. *– MM*

Banks seek changes to 6B euro loan

Banks are asking for changes to the proposed structure and terms of a 6 billion euro loan for Spain's national lottery, which forms part of an 18 billion euro government aid fund for the country's cash-strapped regions, bankers said Thursday.

The 6 billion euro loan for Sociedad Estatal Loterias y Apuestas del Estado (SELAE) will part-finance the regional fund, along with an 8 billion euro private placement provided by Spanish banks in mid-October and a 4 billion euro payout from the Spanish Treasury.

Eight Spanish regions have already been forced to apply to the government for help in repaying debt and financing their deficits after worries about Spain's finances effectively shut them out of markets.

Advisor Rothschild asked international and Spanish banks to give feedback on the 6 billion euro loan, which was structured as a five-year loan with a two-year grace period before repayments begin.

The company's Spanish risk profile, as well as its lack of international business and limited ancillary business opportunities, mean banks would prefer to give a short-term bridge loan which can be refinanced in the bond market.

"International banks want to see particular structures in place with bridge loans to capital markets issues," a head of loan syndicate said.

"This is a name with capacity for the bond market, and that's what international banks feel that it (Loterias) should be doing," he added.

The deadline for banks' responses to the proposed loan structure was extended until October 26. If banks get the concessions they are seeking, they are likely to support the deal, bankers said, contradicting press reports that the deal could be postponed due to tepid bank interest.

"Banks are positive around the deal, it's a question of the final structure and if that fits with what Loterias wants. I am confident that if the company gets the structure right, it can raise what it wants," the syndicate head said. *– TW*

Drax preps 400M stg loan refi

U.K. coal-fired power station operator Drax said Thursday that it will shortly launch a 400 million pound revolving credit facility to replace its existing 310 million pound facility that was agreed in August last year.

The existing maturity of the loan will also be extended to April 2016 from April 2014.

The increased financing will help fund a 650-700 million pound capital investment aimed at converting Drax from a coal generator into a predominantly biomass-fuelled generator.

Drax is also in advanced negotiations to secured new debt facilities of around 100 million pounds, to back the plan, as well as raising around 180 million pound through a share placing.

As previously reported, in July Drax agreed a 100 million pound amortizing term loan with M&G UK Companies Financing Fund. That loan has a maturity ranging from six to eight years.

In August 2011, Drax completed a 310 million pound loan refinancing via Barclays Capital, Lloyds TSB and Royal Bank of Scotland. *– AR*

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Sirius launches refi

Wells Fargo launched October 24 a new refinancing loan for Sirius Computer Solutions.

The new loan will consist of a $20 million, five-year revolver and a $340 million, six-year term loan B.

Proceeds will go to refinance debt and redeem preferred equity.

Sirius Computer Solutions is an IT solutions integrator for servers, software and services from Cisco, Dell, HP, IBM, NetApp, Red Hat, VMware and more.

The company is headquartered in San Antonio, Texas.

Sirius is a portfolio company of Thoma Bravo. *– NW*

Upfronts emerge on Omega

Omega Healthcare Investors Inc's is offering upfront fees of 45bp across all commitment levels on its $700 million credit facility, sources said.

The facility will comprise a $500 million, four-year unsecured revolver and a $200 million, five-year term loan.

Commitments will be allocated pro rata.

As previously reported, the company is expected to launch the facility on October 30.

Pricing is based on ratings. The revolver opens at LIB+150 with a 30bp facility fee for an all in of LIB+180. The TL opens at LIB+175.

The pricing grid and other details have been reported.

The facility will refinance debt under an existing credit agreement, finance acquisitions and other general corporate purposes including the enhancement and financing of healthcare related properties.

Commitments are due November 16. Closing is expected November 29.

Bank of America Merrill Lynch is leading the deal. *– MS*

EP Energy sets talk

EP Energy outlined price talk on its $300 million incremental term loan. The loan is talked at LIB+350 with a 1 percent Libor floor and a 99.75 OID, sources said.

Credit Suisse leads the loan.

The loan will include 101 soft call protection for one year, and will mature in April 2019.

The company plans to use proceeds to refinance its existing RBL facility. Commitments are due at noon Friday.

In August, EP Energy Corp revealed final terms on its proposal to reprice its $750 million term loan B. The loan was repriced at LIB+400, with a 1 percent Libor floor. The issue price was par, sources said.

The loan will include 101 soft call protection until May 2013.

The effective date on the repricing is August 21.

EP Energy was looking to take pricing on its TLB from LIB+525 with a 1.25 percent Libor floor to LIB+400 with a 1 percent floor.

In April, the company entered into a $750 million, six-year covenant-lite loan.

The Citi-led loan, along with $750 million senior secured notes due 2019, $2 billion senior unsecured notes due 2020, and a $2 billion revolver backed El Paso Corp's $7.5 billion spinoff of the company to an Apollo Global Management and Riverstone Holdings-led consortium. *– CF*

Peppermill taps for $600M refi

Peppermill Casinos is in market with a $600 million credit facility, sources said. Proceeds are for refinancing purposes.

The deal is split between a $150 million revolving credit facility, a $175 million term loan A and a $275 million term loan B.

Wells Fargo is sole lead on the TLB, which is talked at LIB+450-475 with a 1.25 percent Libor floor. The loan is offered at an OID of 99 and comes with a 101 soft call premium for one year.

Wells Fargo, joined by US Bank, co-leads the pro-rata facilities. Pricing on the RC and TLA is grid-based, opening at LIB+375, sources said. *– LP*