

# **HLI Operating Company, Inc. LCDS**

## **Credit Event Auction Summary**

**June 9, 2009**

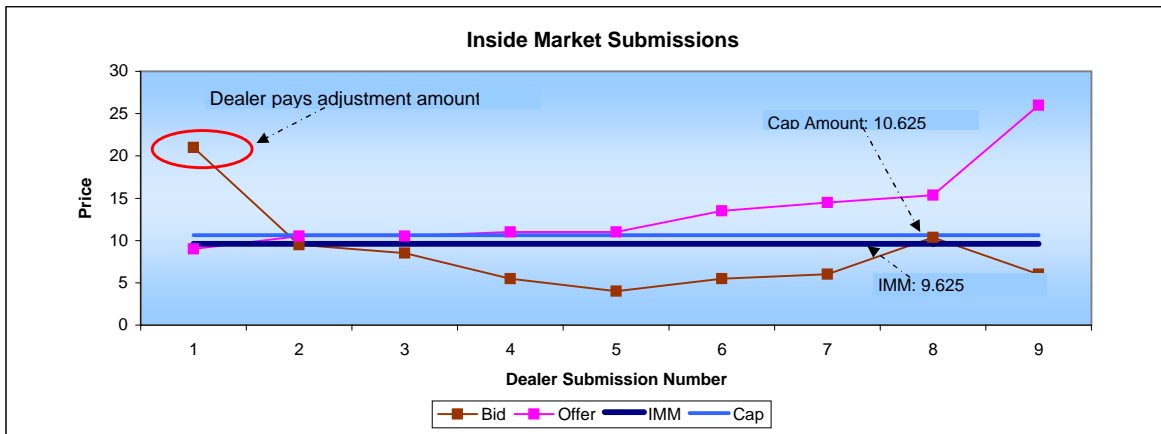
**HLI Operating Company, Inc. LCDS**  
**Final Price 9.5**  
**Auction Date 9Jun09**

RED 6 :	4E4637	ML0002364
Index Constituents of	*Markit LCDX.NA Series 8	ML1001364
		ML0002365

Default Date	05/12/2009	Inside Market Quotation Amount	\$2 MM
EDD	05/14/2009	Bid-Offer Spread	5%
Auction Date	06/09/2009	Participating Bidders	9
Cash Settlement Date	06/16/2009	Cap Amount	1%
Event	Bankruptcy	Accrual Calculation Method	Normal

**Inside Market Midpoint**  
**Net Open Interest**

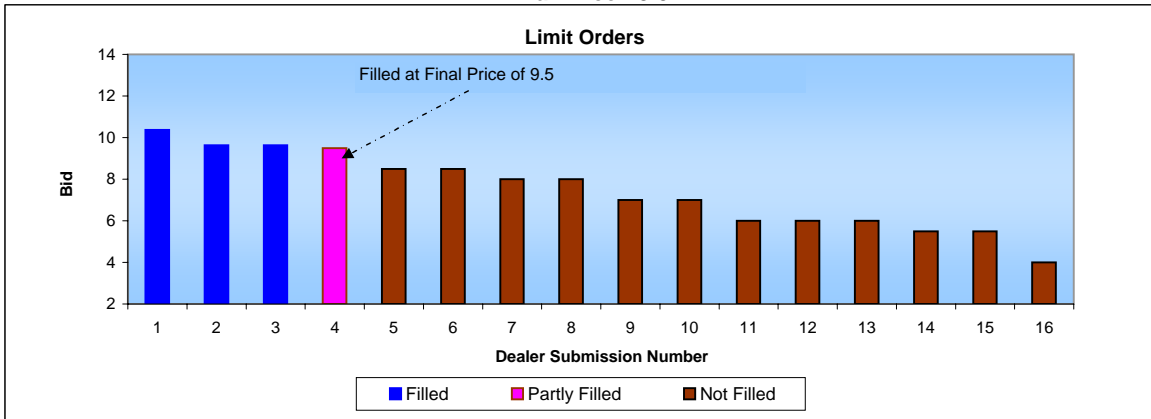
**9.625**  
**\$7.0 Million to Sell**



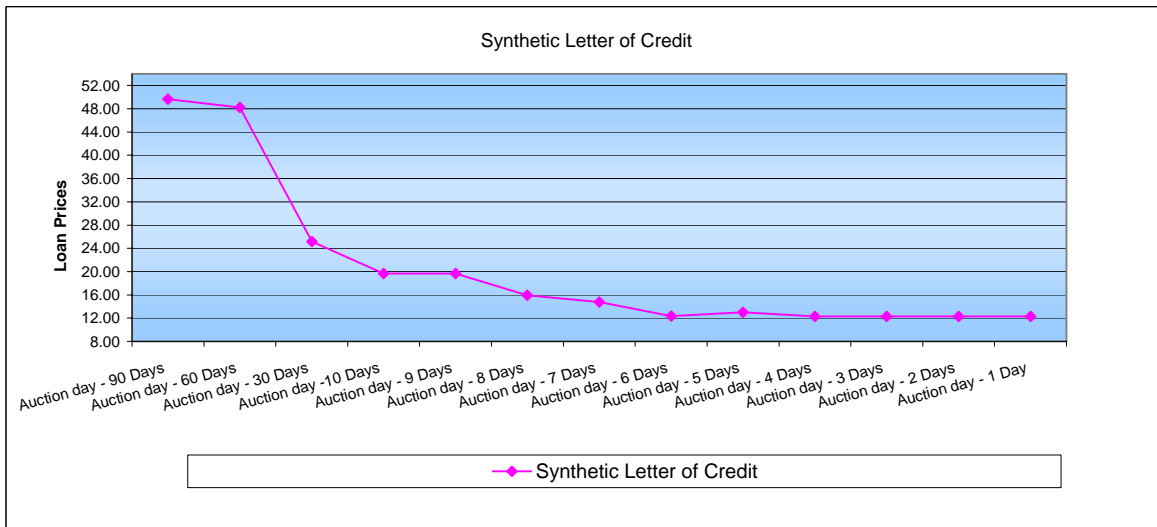
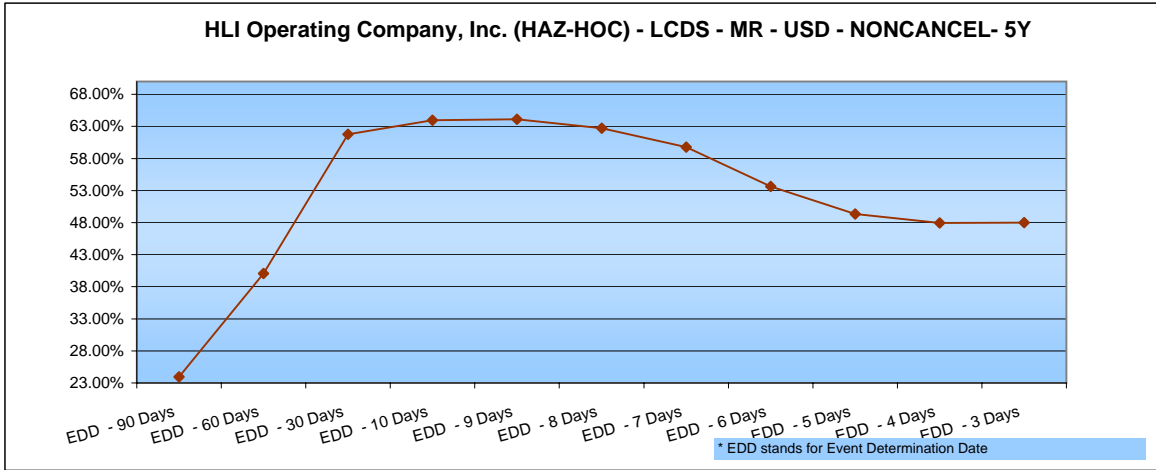
**Adjustment Amount : J.P. Morgan Securities, Inc. pays \$227,500**

<b>Sum of Buy Physical Requests</b>	<b>\$ 0.0</b>	<b>MM</b>
<b>Sum of Sell Physical Requests</b>	<b>\$ 7.0</b>	<b>MM</b>

**Final Price : 9.5**



\* See Appendix V for details



## Appendix

**Inside Market Submissions**

Dealers	Bid	Offer
Barclays Bank PLC	4	9
Citigroup Global Markets Inc.	10.375	15.375
Credit Suisse International	5.5	10.5
Deutsche Bank AG	5.5	10.5
Goldman Sachs Lending Partners, L.P.	9.5	14.5
J.P. Morgan Securities, Inc.	21	26
Morgan Stanley Senior Funding, Inc.	6	11
The Royal Bank of Scotland PLC	8.5	13.5
UBS Securities LLC	6	11

**Physical settlement requests**

Dealers	Type	Size
Barclays Bank PLC	0	0
Citigroup Global Markets Inc.	0	0
Credit Suisse International	0	0
Deutsche Bank AG	0	0
Goldman Sachs Lending Partners, L.P.	0	0
J.P. Morgan Securities, Inc.	0	0
Morgan Stanley Senior Funding, Inc.	0	7
The Royal Bank of Scotland PLC	0	0
UBS Securities LLC	0	0

**Limit Orders**

Dealer	Bid	Size
<b>Citigroup Global Markets Inc.**</b>	<b>10.375*</b>	<b>2</b>
<b>J.P. Morgan Securities, Inc.**</b>	<b>9.625*</b>	<b>2</b>
<b>Barclays Bank PLC</b>	<b>9.625*</b>	<b>2</b>
<b>Goldman Sachs Lending Partners, L.P.**</b>	<b>9.5^</b>	<b>2</b>
The Royal Bank of Scotland PLC**	8.5	2
Morgan Stanley Senior Funding, Inc.	8.5	2
Morgan Stanley Senior Funding, Inc.	8	2
The Royal Bank of Scotland PLC	8	7
Morgan Stanley Senior Funding, Inc.	7	2
Deutsche Bank AG	7	7
UBS Securities LLC**	6	2
Morgan Stanley Senior Funding, Inc.**	6	2
Morgan Stanley Senior Funding, Inc.	6	2
Credit Suisse International**	5.5	2
Deutsche Bank AG**	5.5	2
Barclays Bank PLC**	4	2

\*\* Limit Orders that were derived from inside markets.

\* Limit Orders that were filled.

^ Limit Orders that were partially filled.

**LCDS Spreads**

<i>Date</i>	<i>LCDS Spread</i>
EDD - 90 Days	23.92%
EDD - 60 Days	40.07%
EDD - 30 Days	61.79%
EDD - 10 Days	63.98%
EDD - 9 Days	64.09%
EDD - 8 Days	62.73%
EDD - 7 Days	59.76%
EDD - 6 Days	53.61%
EDD - 5 Days	49.36%
EDD - 4 Days	47.95%
EDD - 3 Days	47.98%

**Recovery Rate**

<i>Date</i>	<i>Rec. Rate</i>
Auction day - 90 Days	37.50%
Auction day - 60 Days	20.00%
Auction day - 30 Days	15.33%
Auction day - 10 Days	30.00%
Auction day - 9 Days	30.00%
Auction day - 8 Days	30.00%
Auction day - 7 Days	30.00%
Auction day - 6 Days	30.00%
Auction day - 5 Days	30.00%
Auction day - 4 Days	30.00%
Auction day - 3 Days	30.00%
Auction day - 2 Days	28.50%
Auction day - 1 Day	28.50%

**Loan Details**

<i>Loan Type</i>	<i>Initial Amount</i>	<i>Maturity</i>	<i>Spread</i>	<i>MLID</i>	<i>LXID</i>
Revolving Loan	\$125 MM	05/30/2013	LIBOR + 275 bps	ML0002364	LX067729
Synthetic Letter of Credit	\$15 MM	05/30/2014	LIBOR + 275 bps	ML1001364	LX067732
Term loan	\$260 MM	05/30/2014	LIBOR + 275 bps	ML0002365	LX067730

**Loan Prices**

<i>Date</i>	<i>Prices</i>
	<i>LX067732</i>
Auction day - 90 Days	49.67
Auction day - 60 Days	48.25
Auction day - 30 Days	25.17
Auction day - 10 Days	19.66
Auction day - 9 Days	19.66
Auction day - 8 Days	15.91
Auction day - 7 Days	14.75
Auction day - 6 Days	12.33
Auction day - 5 Days	13.00
Auction day - 4 Days	12.28
Auction day - 3 Days	12.28
Auction day - 2 Days	12.28
Auction day - 1 Day	12.28

**Indices Affected**

<i>Old Index Name</i>	<i>Old RED Code</i>	<i>New Index Name</i>	<i>New RED Code</i>
LCDX.NA Series 8 Version 16	5F199GBN6	LCDX.NA Series 8 Version 17	5F199GBQ9