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DAILY BANKRUPTCY REVIEW

DOW JONES

Tuesday, December 16, 2014

GT Advanced Wins Approval Of Its Settlement With Apple

By Peg Brickley

GT Advanced Technologies Inc. Monday won bankruptcy court approval of a settlement with Apple Inc. that wards off the threat of litigation over a failed effort to produce large quantities of scratch- and shatter-resistant smartphone screen materials.

Approval from Judge Henry Boroff came after GT Advanced and Apple came to terms with leading creditors who had threatened to derail the pact and transform GT Advanced's bid for an operational turnaround into a litigation-driven bankruptcy aimed at Apple.

The deal uncouples GT Advanced from Apple, and keeps a lid on litigation that could erupt from the corporate breakup that shocked investors unaware that the business relationship was on the rocks.

GT Advanced filed for Chapter 11 bankruptcy protection in October, its business in disarray after a year's foray into the business of manufacturing smartphone screen material, a venture financed by Apple with $439 million worth of loans. Apple's latest generation of iPhones launched without GT Advanced sapphire screens.

In court papers, GT Advanced accused Apple of keeping it a "captive" supplier, subject to shifting specifications. GT Advanced also said it was the victim of Apple's interference in the manufacturing process and found itself in a one-sided deal with a customer that allegedly refused to buy or to bargain.

Apple countered that it was the wronged party, left without sapphire screen material, vilified as a corporate bully and owed hundreds of millions of dollars. "Apple recognizes that the ambitious venture to produce sapphire in meaningful quantities and at a reasonable cost has failed," lawyers for Apple wrote in court filings.

Creditors scrutinized the settlement to ensure they weren't trading valuable damage claims against Apple for too little. As lender, landlord and alleged demanding customer, Apple was vulnerable to a number of different legal actions, such as a challenge to the validity of its secured debt. James Carr, lawyer for the official committee of unsecured creditors, said creditors worried whether GT Advanced would be able to find financing and keep its business alive while battling Apple in lawsuits that would be "difficult to prove."

Apple said in court papers it is surrendering substantial claims of its own that it has against GT Advanced in order to walk away. There is no evidence to support the "numerous accusations against Apple," the company's lawyers wrote.

The settlement approved Monday at a hearing in the U.S. Bankruptcy Court for New Hampshire gives GT Advanced four years to sell off the equipment from the abandoned sapphire manufacturing venture to pay down the Apple debt.

Until hours before Monday's hearing, opposition from the official committee of unsecured creditors and from a group of bondholders posed a danger to the settlement. To win over balky creditors, Apple agreed to give GT Advanced a larger share of the sales, and more time, rent-free, in a giant Mesa, Ariz., facility, to wrap up the operation.

see **GT** on page 3

Lehman Bankruptcy Trustee Appeals Barclays Ruling

By Stephanie Gleason

The bankruptcy trustee winding down Lehman Brothers' brokerage business on Monday said he would ask the U.S. Supreme Court to review a ruling that awarded billions of dollars in disputed assets to Barclays PLC.

Following Lehman's 2008 bankruptcy filing, Barclays acquired Lehman's brokerage business in a "no cash" transaction, Lehman says.

A year later, a legal fight over the transaction ensued when Lehman sued Barclays, saying the British bank negotiated a secret discount in the transaction. Judge James Peck, then Lehman's bankruptcy judge, concluded that Barclays didn't receive an improper "windfall" from the sale but wasn't entitled to the so-called margin cash assets worth $4 billion.

Later, however, a three-judge appeals court panel said "ambiguities and loose ends were inevitable" in such a speedy sale and ruled that Barclays was entitled to these disputed assets.

Lehman trustee James W. Giddens on Monday said that "while the bankruptcy dourt rightly rejected Barclays' claims to the margin cash assets, the decisions by the district and appeals courts reduced the amount available for the general estate by $4 billion, frustrated the purpose of the liquidation, and undermined the credibility of a sale hearing."

Barclays on Monday declined to comment on Lehman's decision to appeal.

Lehman brokerage customers received about $92.3 billion almost immediately after Lehman collapsed, and since then total distributions have exceeded $110 billion, representing a 100% recovery for customers and priority creditors. However, unsecured creditors are receiving much less—$2.6 billion, or 17% of their claims.

A victory in this appeal would increase those recoveries.

The appeals court ruling in August caused prices of unsecured claims against Lehman to fall to a low of 40 cents, from about 46 cents, in some of the first losses traders had seen on Lehman claims, *The Wall Street Journal* previously reported.

Lehman, once the nation's fourth-largest investment bank by assets under management, collapsed into the largest bankruptcy ever in September 2008, with $613 billion in liabilities.

The filing sent markets into turmoil and helped trigger a global financial crisis. Lehman's brokerage business was quickly sold to Barclays, and the company's New York-based holding company officially exited bankruptcy in 2012.

The Lehman estate, Lehman Brothers Holdings Inc., is still winding down and selling off its remaining holdings-a process that is expected to continue for several more years. The brokerage is technically not in bankruptcy but is being unwound separately under the provisions of the Securities Investor Protection Act.

-Joseph Checkler and Patrick Fitzgerald contributed to this article.

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Creditors Demand Changes to Dendreon Settlement

By Tom Corrigan

Elements of a key settlement between Dendreon Corp., a cancer-drug maker now in bankruptcy, and its shareholders are facing headwinds from the company's creditors.

In objections filed over the weekend, bondholders and other unsecured creditors urged Judge Peter Walsh of the U.S. Bankruptcy Court in Wilmington, Del., to block the settlement unless parts of it are amended.

The settlement would resolve lawsuits that claim a group of Dendreon's executives misled shareholders about the company's financial health and projections for the adoption of Provenge, an advanced-stage prostate cancer drug that was expected to produce a windfall for Dendreon but which ultimately failed to catch on with doctors.

In August 2011, Dendreon withdrew revenue guidance of $350 million to $400 million for the year, telling shareholders to look instead for "modest quarter-over-quarter revenue growth." The company's stock plunged 67% after the announcement, and investors sued.

The settlement, which arose out of mediation sessions last year, awards $3.25 million from insurance proceeds to Dendreon. In exchange, executives named in the suit will get immunity from a range of future litigation. The settlement will also pay the biotechnology company $1.25 million to cover its legal fees.

Bondholders, who are in line to take control of the company unless it finds a buyer, are protesting corporate governance terms included in the settlement, which they described in court papers as "illogical" and "like trying to squeeze a round peg into a square hole."

The governance terms require Dendreon to maintain an insider-trading policy, stock ownership guidelines and committees to oversee audits and disclosure.

The bondholders say they have no connection to the company's past behavior and have asked for amendments to the settlement that will prevent them from being saddled with the requirements once the reorganized Dendreon exits bankruptcy.

"The new potential owners view these requirements not as a protection but as a hindrance, especially given that these measures may even impair equity value at their expense," the bondholders said in court papers.

In a separate objection, the committee representing the company's unsecured creditors expresses similar reservations over the settlement's governance terms and also called for more limited immunity for the company's executives.

Dendreon filed for Chapter 11 bankruptcy protection Nov. 10 with plans either to find a buyer or to become a private company controlled by its creditors.

The Seattle company has an agreement with a significant majority of its bondholders, led by Deerfield Management Co., that gives it until next year to find a buyer. Court papers say bondholders will take bids in excess of $275 million.

If no prospective buyers step up, bondholders would swap out their debt for equity in a reorganized company in hopes of recouping some of their losses.

Provenge, the prostate cancer drug, costs an average of $93,000 for a course of treatment and never gained significant traction in the market. According to court papers, the drug improved median survival by just more than four months.

-Peg Brickley contributed to this article.

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GT

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GT Advanced says it needs the deal to go through so it can focus on rehabilitating its business, which was left in bad shape by efforts to become an Apple screen material supplier. Once a healthy manufacturer of equipment, GT Advanced spent $900 million to pursue the transformative supply connection to Apple, including money raised from shareholders and bondholders.

With its revenue "almost non-existent" after Apple turned its back on GT, the company is counting on selling the equipment to keep going as it searches for bankruptcy financing and attempts to get back to its roots as a manufacturer, financial adviser Neil Augustine said at Monday's court hearing.

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UAW Chief Aims to Eliminate Two-Tier Wages

By John D. Stoll

United Auto Workers President Dennis Williams said on Monday the lower wage scale for newer auto workers make is unacceptable, and the roughly $19.50 hourly wage new hires earn should only be seen as a “good starting point” or negotiations with Detroit auto makers next year.

Mr. Williams, speaking at the UAW’s headquarters, said a “general wage increase is important to our members.” He noted that two tiers of wages—one for legacy workers and one for newer hires—were established during and after a financial crisis when General Motors Co., Ford Motor Co. and Chrysler Group LLC were facing deep challenges.

It is the fundamental belief of the union that people doing the same job should get paid the same wage.

Veteran auto workers hired before the economic crisis currently make roughly $28 an hour. Employees hired more recently start at about $16 an hour and increases over time to about $19.50 an hour. At some point, those on the lower wage scale are eligible to graduate to the veteran’s tier, but that would require a relatively high level of hiring at U.S. auto plants.

Mr. Williams said the lower-wage scale isn’t acceptable and the quality of living needs to lifted for all of Detroit’s manufacturing workforce. Higher paid veteran workers haven’t had a real wage increase in nearly a decade. Mr. Williams indicated that needs to be addressed.

GM and Chrysler, now controlled by Fiat Chrysler Automobiles NV, filed for bankruptcy in 2009. The federal government bailed out both car companies, and the UAW was forced to make concessions in return for equity stakes.

“You’ve got to remember that we were bargaining in a postbankruptcy” environment, he said. And, he noted, “we were in negotiations with the federal government.”

Mr. Williams, who declined to be too specific about the bargaining agenda in 2015, said “we had no idea whether we were going to be successful.”

In recent years, auto makers have paid out historically strong annual profit-sharing checks—including as much as $8,000 at Ford. Mr. Williams said the UAW is in “continued discussions” to potentially tweak the profit-sharing formula so that workers aren’t penalized for certain one-time items, such as recall costs that are currently hitting GM.

Separately, Mr. Williams said the UAW has seen no impact from the recent right-to-work laws that went on the books in Michigan, the organization’s home turf and one of its largest geographic footprints due to auto-industry representation.

He said the union hasn’t seen a decline even after renegotiating some deals that would allow workers to opt out of paying union dues. “We haven’t seen the falloff,” he said, adding “challenging right- to-work isn’t a priority right now.”

Michigan Gov. Rick Snyder signed right-to-work into law that makes payment of union dues voluntary for private-sector unions and most public-sector unions. Often cast as being antiunion, the legislation was opposed by the UAW, but Mr. Williams said the union’s efforts fell short because the organization was “not as prepared for that debate as we probably should have been.”

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Waterloo May Buy Idle Hostess Factory Downtown

The city of Waterloo is considering buying the idle former Hostess plant downtown to encourage development, the Associated Press reported.

The *Waterloo-Cedar Falls Courier* reports the City Council was set to vote Monday on a plan to spend $400,000 on the building that used to serve as a Wonder Bread bakery and up to $15,000 on closing costs.

The Waterloo bakery has been closed since November 2012 when Hostess Brands filed for bankruptcy protection. Dozens of workers lost their jobs when the bakery closed.

Flowers Foods Inc. bought the Wonder bread brand from the now-defunct Hostess Brands, but it didn’t revive all of Hostess’ old bakeries, including the Waterloo one.

Flowers Foods paid $442,460 when it acquired the building in the Hostess liquidation.

City planning director Noel Anderson said the purchase offer is less than the building’s assessed value to account for demolition costs.

No projects are in the works for the bakery at this point, but the building is near several other downtown revitalization projects the city has already started.

“I don’t believe there’s any plans for it yet,” Anderson said.

But several groups have stated they want the 86-year-old building preserved.

Anderson said the city would like to see the bakery site used for something that’s compatible with the surrounding projects that attract heavy foot traffic.

The sprawling bakery in downtown Waterloo was built in 1928, and it is located near the RiverLoop Amphitheatre, public library and Waterloo Center for the Arts.

Small Cap

Bankruptcy Watchdog, Broadcasters Fight Aereo Bonus Plan

By Jacqueline Palank

Aereo Inc.'s plan to pay its remaining employees, including top executives, up to nearly $1 million in bonuses faces objections from a government bankruptcy watchdog and major broadcasters.

Up to $940,500 in bonuses would be payable to 11 employees should Aereo successfully sell or restructure its online broadcast-streaming business in Chapter 11. Aereo says the bonuses, the amount of which would vary depending upon a sale price, will ensure its remaining employees work hard to secure the best possible deal for the online television-streaming company.

Objectors, however, say the bonuses aren't legal incentives but are actually disguised retention payments, which top executives are generally barred from receiving in bankruptcy.

"The bonus plan does not provide any real incentive for the participants to improve their performance, work harder, and achieve results greater than in the past," U.S. Trustee William K. Harrington, a bankruptcy watchdog, said in court papers filed Friday.

Objecting on similar grounds are the broadcasters that successfully sued to stop Aereo from streaming their content online without payment or permission. The broadcasters, whose side the U.S. Supreme Court took in June, are potentially owed tens of millions of dollars in damages.

Even if the bonuses aren't deemed illegal retention payments, the broadcasters—including the Walt Disney Co.'s ABC, CBS Corp., Fox Television Stations Inc. and Comcast Corp.'s NBC—urged a bankruptcy judge not to approve them.

"There is no legitimate business justification for spending nearly $1 million of scarce estate resources on bonuses to insiders, particularly in light of substantial increases in salary already given to certain insiders," they said in court papers.

Besides Aereo Chief Executive Chaitanya Kanojia, the other eligible employees include the company's general counsel, chief financial officer, chief technology officer and director of information systems. The employees, who wouldn't receive bonuses if they voluntarily leave the company before a deal closes or are fired for cause, are the few who remain after Aereo laid off its other workers at the start of November.

In court papers, Aereo said the employees are "irreplaceable" and will use their "deep institutional knowledge and experience" to find a buyer or investor for the company. If a deal isn't reached, the bonuses won't be paid.

Individual bonuses would be calculated as a percentage of the employees' salaries. Two employees recently saw their salaries increased. Five of the employees' salaries, including that of Mr. Kanojia, were reduced last month, although court papers note the bonuses would be based on the pre-reduction salaries.

"The [bonus plan] is purely incentive- and performance-based and meets the standard this court has established in other Chapter 11 cases," Aereo said in court papers, adding that the cost and scope of the bonus plan are reasonable.

The U.S. Bankruptcy Court in Manhattan will review the bonuses at a hearing scheduled for Friday.

Aereo sought Chapter 11 protection on Nov. 20 and is hoping to put itself on the auction block by mid-February.

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Japanese Architect's Firm Files for Bankruptcy

The office of late Japanese architect Kisho Kurokawa, known for his grand futuristic designs in projects including Kuala Lumpur International Airport, filed for bankruptcy protection on Monday, Agence France-Presse reported.

Mr. Kurokawa's works include Amsterdam's Van Gogh Museum, described as a bridge between Western rationalism and Eastern asymmetry, and Melbourne Central, a hub of shopping, entertainment and dining behind the train station in Australia's second city.

He also designed the Nakagin Capsule Tower in Tokyo, which appears as a Japanese love hotel in the 2013 blockbuster "The Wolverine" starring Hugh Jackman.

Kurokawa died in 2007, and his office—Kisho Kurokawa Architect & Associates—run by his son, Mikio, has racked up debts worth 1.2 billion yen ($10 million), according to Teikoku Databank corporate research agency.

The office be restructured under the aegis of Japanese engineering consultancy Nippon Koei, which will create a subsidiary to take over its operations and its employees, the firms said.

Small Cap

Harlem's 125th Street Revival Picking Up Speed

By Keiko Morris

The pace of transformation of Harlem's 125th Street is picking up speed, attracting developers and retailers who want to be part of the thoroughfare's ascent.

Earlier this month, developer Greystone & Co. paid $11.5 million through a bankruptcy auction to buy a group of lots facing East 125th Street and a parcel on East 126th Street. Greystone said it intends to build a mix of about 75 market-rate and affordable apartments with retail on the ground floor.

Across the street is Continuum Co.'s planned development of almost 700 apartments and 80,000 square feet of retail space. And a short walk to the west is developer Jeff Sutton's project, which will be anchored by a Whole Foods Market.

"You have major developers coming in and buying up great properties," said Jeffrey Simpson, head of Greystone's property development. "There are already great retailers on 125th Street and more coming," he said.

Many real-estate executives and brokers point to the opening in 2000 of Harlem USA—a retail complex at 125th Street and Frederick Douglass Boulevard—as the spur that brought national brands such as Old Navy and Disney to 125th Street's commercial corridor.

To be sure, the recession stalled and derailed some development plans along the street. The former developer of the property at 69-75 E. 125th St. recently acquired by Greystone partly blamed the economic downturn for his project's difficulties, according to a Chapter 11 bankruptcy petition filed in 2013. Neither the former developer, Saadia Shapiro, nor his attorney returned requests for comment.

But since the recession ended, 125th Street has seen a resurgence.

Earlier this year, Extell Development Co. bought the site now used by a Pathmark supermarket at 125th Street between Lexington and Third avenues. Some attribute the latest flurry of interest and activity to the announcement in 2012 that the Whole Foods store was coming to Sutton's development.

With that lease news, "the perception of 125th Street in the retail community changed," said Kenneth Hochhauser, executive vice president at Winick Realty Group LLC.

The grocer, expected to open in 2016, will draw both local customers and those from a much wider range than is usual for 125th Street, said Mr. Hochhauser, who is marketing the Rockfeld Group's planned 45,000-square-foot retail project next to the development that will house Whole Foods.

In terms of income and education, residents within a half-mile radius of Sutton's project are similar to those in some suburban markets in New Jersey and Rockland County, said Chase Welles, executive vice president at SCG Retail and the broker who represented Whole Foods. Only the ethnic makeup is noticeably different.

Banana Republic Factory Store and Red Lobster have taken space at Grid Properties' project next to the Apollo Theater.

Discount shoe retailer DSW Inc. and Blink Fitness are among the brands at 301 W. 125th St., a property owned by a joint venture of Aurora Capital Associates and A&H Acquisitions Corp.

That venture also has a retail project under construction at 5-15 W. 125th St., and it has signed leases with home goods chain Bed Bath & Beyond Inc. as well as WeWork, a provider of shared office space, said Jared Epstein, vice president and principal of Aurora.

Harlem's growth isn't only centering on all-new developments but also "leveraging its architecture, its history, its character in a meaningful way," said Kate Blumm, spokeswoman for the city's Economic Development Corp.

To that end, the city has picked developers to rehabilitate properties such as the landmark Corn Exchange Building adjacent to the Metro-North station at 125th Street and the former Taystee bakery complex. The revamped Taystee building will be part of the Manhattanville Factory District of industrial buildings renovated for office and other commercial uses that stretches from West 125th to West 128th streets.

Artimus Construction, which won the bid to redevelop the Corn Exchange Building, is looking to lure office tenants from the suburbs, as well as tech and fashion firms. It also is talking to coffee houses and gastropub operators for the retail portion.

Developers of the Taystee building, the Janus Property Co. and Monadnock Construction Inc., aim to lure tenants priced out of areas such as Midtown south with a revamped industrial building with high-end features such as terraces, said Jonathan Fales, senior managing director at Cushman & Wakefield Inc., which is marketing the property.

"The magic of Harlem is that it's on the island of Manhattan," said Jerry Salama, principal at Janus. "Down the street from the Taystee is the express [train line] that's one stop to 59th Street."

Residential building and redevelopment has fed the latest retail surge on the street, especially as northern Manhattan has become a less expensive housing alternative to neighborhoods such as the Upper West Side, said Faith Hope Consolo, chairman of Douglas Elliman Real Estate's retail group.

"Professionals continue to move northward, and restaurants and retailers are following them," she said.

Continuum's chief executive, Ian Bruce Eichner, paid $66 million to Vornado Realty Trust to buy the land at 1800 Park Ave., which had been vacant for years. At that price, he said, he will be able to build a Manhattan apartment building with prices comparable to downtown Brooklyn or Long Island City.

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Small Cap

New Railroad Rebuilding After Disaster in Quebec

The company that purchased assets of the railroad responsible for a fiery oil train derailment that killed 47 people in Canada says it is seeing growth as it rebuilds the business, the Associated Press reported.

Central Maine and Quebec Railway has nearly doubled its business from June, but it has yet to reach levels before the disaster in Lac-Mégantic, Quebec, in July 2013, said Ryan Ratledge, chief operating officer.

"We're seeing strong growth. We're seeing some large accounts come back. The future is bright," Mr. Ratledge said.

The new railroad already completed $10 million worth of track improvements—mostly in Quebec—that were aimed at improving safety and allowing freight trains that had been slowed to 10 mph in some sections to boost their speeds to 25 mph, he said.

The maintenance work included replacement of more than 32,000 railroad ties and removal and replacement of more than 110,000 feet of rail. More work will be done in the coming summer.

Nate Moulton, director of the rail program for the Maine Department of Transportation, said the maintenance problems addressed by the company had grown over three decades. "There was a lot of deferred maintenance on the railroad, so there was a lot of work to do," Mr. Moulton said.

Montreal, Maine and Atlantic Railways went bankrupt after a train transporting crude oil was left unattended by its solo operator and began rolling toward Lac-Mégantic. More than 60 tankers tumbled off the tracks and several exploded. Much of the downtown was consumed by the flames.

Canada's Transportation Safety Board said the train's brakes weren't properly set.

In Lac-Mégantic, the focus is on compensating survivors. The environmental cleanup alone could end up costing $200 million to $500 million, based on early estimates.

Central Maine and Quebec Railway, a subsidiary of New York-based Fortress Investment Group, purchased the 481 miles of rail in Maine, Vermont and Quebec.

Last month, it resumed shipments of "dangerous goods" like propane fuel and chemicals but company has agreed not resume crude oil shipments through Lac-Mégantic before the end of 2015, he said.

The company has been seeking to earn the trust of residents of Lac-Mégantic through regular meetings and updates on trains carrying dangerous chemicals or fuel. The company also has ended the previous company's practice of using solo train operators to save money.

International

Brazil Judge Postpones Eike Batista Trial to Next Year

By Luciana Magalhaes

A court in Rio de Janeiro has postponed until early next year a follow-up session, originally set for Wednesday, in the criminal trial of Brazilian entrepreneur Eike Batista, the judge trying the case said Monday.

Judge Flavio Roberto de Souza said he changed the date after a request from prosecutors in Rio.

Mr. Batista's criminal trial in Rio started last month. Once the richest person in Brazil, Mr. Batista is charged with manipulating financial markets and with taking advantage of privileged information regarding the oil company he created. Mr. Batista and his attorneys have repeatedly denied wrongdoing.

While the trial was begun based on criminal charges filed by prosecutors in Rio, similar charges pertaining to the oil company, formerly known as OGX Petroleo e Gas Participacoes SA, and to Mr. Batista's OSX Brasil shipbuilding firm have also been filed by prosecutors in Sao Paulo.

A judge in Sao Paulo ordered the unification of all the charges into one case, requiring additional examination time, Judge de Souza said. The new charges arrived in Rio last week, he added.

A new trial session for Mr. Batista will likely be scheduled for January or February, the judge said.

Mr. Batista's lawyers filed a motion at the beginning of the month to have Judge de Souza removed from the case, citing an alleged lack of neutrality.

The judge, who said he isn't being partial and won't recuse himself, still awaits a final decision on the matter from a higher court, he said. "I continue active in the process as I was before," he added.

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Pension Bill Seen as Model for Further Cuts

By John D. McKinnon

A measure included in Congress's mammoth spending bill permits benefit cuts for retirees in one type of pension plan, a big shift that lawmakers and others believe could set a precedent for other troubled retirement programs.

The legislation is aimed at defusing a potentially explosive problem—the deteriorating condition of what are known as multiemployer plans, jointly run by unions and employers. The bill cleared by the Senate late Saturday would allow troubled funds to cut benefits for current retirees in some circumstances. That is an exception to a long-standing federal rule against scaling back private-pension benefits.

Lawmakers and experts, while divided over the merits of the change, largely agreed that it could well be the first of many.

The measure "would set a terrible precedent," said Karen Friedman, executive vice president of the Pension Rights Center, a group that advocates for wider pension coverage and opposes benefit cuts. The bill could encourage similar cutbacks in troubled state and local pension plans, and possibly even Social Security and Medicare, she said.

Some conservatives contend the bill would encourage policy makers to recognize and deal with shortfalls in benefits programs. "Facing up to the insolvency is healthy," said Alex Pollock, a scholar at the conservative American Enterprise Institute. While it is difficult to consider cutting retiree benefits, it is often better than taking the money from other people, such as taxpayers, he said.

Multiemployer plans are jointly administered by unions and employers and are funded by several employers in a given industry, typically in fields such as trucking, retail and construction. There are about 1,400 plans in all, covering roughly 10 million people. Because of declining ratios of active workers to retirees, and loose funding standards, some of the larger plans, such as the Teamsters' Central States fund, are in dire financial condition.

The failure of just a few of these plans quickly would bankrupt the federal pension safety net. The Pension Benefit Guaranty Corp. recently widened its projected long-term deficit for multiemployer plans to $42 billion.

Under the bill, trustees of financially troubled plans could vote to cut retiree benefits. While plan participants could vote to disapprove any benefit cut, any vote not approving a cut could be overridden for a plan that is considered big enough to pose a threat to the federal safety net.

The bill's chief backers said last week they were seeking only to address the specific problems of multiemployer plans and weren't aiming to influence broader debates about other retirement programs.

"There is a unique crisis facing millions of people with multiemployer pensions that are threatened by numerous plans' imminent bankruptcy, and we worked together to design the best bipartisan solution available to protect the retirement benefits of this very specific group of workers," Reps. John Kline (R., Minn.) and George Miller (D., Calif.) said in a statement.

Other lawmakers maintain that the new legislation could encourage policy makers to consider cutbacks in benefits in a variety of underfunded retirement programs.

"We have a [retirement funding] problem out there, there's no question, and it has to be dealt with," said Sen. Ben Cardin (D., Md.), who has helped draft other major pension-law changes in recent years.

Mr. Cardin said he sees "a lot of merit" in the multiemployer legislation. But there will be "great fear that this will be a precedent" for dealing with those problems, he added.

The bill was introduced Tuesday and approved by the House on Thursday. It was cleared by the Senate late Saturday.

Many states and local governments have started taking steps to shore up underfunded pension plans. Only a handful of governments have reduced benefit payments so far.

As of fiscal 2013, public-employee funds faced long-term deficits of more than $1 trillion, and an average funding level of 72%, according to the National Association of State Retirement Administrators. Funding levels have been declining fairly steadily.

Some experts said the significance of the multiemployer changes is being exaggerated, at least when it comes to state- and local-government pensions. "I don't see the [legislation] setting a precedent for public pensions," said Keith Brainard, research director for the association. He noted that state and local plans generally have their own unique legal protections.

But some of those protections also are becoming vulnerable.

"It's almost certain that other situations where plans are distressed...are going to be viewed from the prism that it's now possible to" cut benefits, said Brian Graff, chief executive of the American Society of Pension Professionals & Actuaries.

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Junk-Bond Worries Spread Beyond Oil

By Katy Burne, Gregory Zuckerman and Rob Copeland

The oil bust is exposing cracks in the $1.3 trillion junk-bond market, putting pressure on a key source of corporate financing and potentially crimping economic growth.

U.S. junk-bond prices have fallen 8% since late June, according to data from Barclays PLC. One-third of that drop has come this month alone, putting the market on track for its worst annual performance since the financial crisis.

While much of the stress has been in the energy sector on the heels of the sharp decline in oil prices, lately the woe is spreading across the junk market.

Each of the 21 high-yield sectors in a U.S. junk-bond index tracked by J.P. Morgan Chase & Co. registered losses in the five days ended Dec. 9.

“Oil prices have crushed the energy sector and it’s leaking elsewhere,” said Andrew Herenstein, co-founder of Monarch Alternative Capital LP, which manages $5 billion and is among the largest investors in distressed debt.

Debt is generally deemed to be distressed when investors view it as at high risk of missing bond payments or of a restructuring, at least at some point.

A pullback from junk bonds is often a harbinger of a broader reassessment of risk across financial markets, raising the possibility that investors could turn more wary of stocks and other assets.

Skeptics warned earlier this year that the junk market was becoming overheated, pointing to the risk of a larger-than-expected retreat.

A raft of postcrisis rules have hit securities-dealing banks, hampering the ability of those middlemen to cushion a selloff, especially in risky assets. Many say the changing role of those dealers is exaggerating the price drops, raising the risk of indiscriminate selling, or “fire sales.”

“The problem with high yield is often that investors have to sell what they can, not what they want to,” said Peter Tchir, managing director at Brean Capital LLC, an investment bank and asset manager.

The junk selloff comes as investors are uneasy about the global economy and Federal Reserve interest-rate increases that many expect to begin next year.

Junk bonds, like stocks, have mostly proved resilient, bouncing back after modest pullbacks. Both these bonds, and stocks, could again resist a deep drop.

But some are betting this current junk-bond decline will deepen, if investors are caught off guard by a slowdown in growth, a corresponding rise in defaults and dealer difficulty in absorbing all the selling.

Joshua Birnbaum, the ex-Goldman Sachs Group Inc. trader who made bets against subprime mortgages during the financial crisis, now has more than $2 billion in wagers against high-yield bonds at his Tilden Park Capital Management LP hedge-fund firm, according to investor documents.

Some investors worry the selling could feed on itself, sending up yields, stalling issuance and prompting restructurings or bankruptcies, analysts said.

Weakening demand for junk bonds has investors demanding a more generous yield to purchase these bonds rather than safer debt.

Junk bonds now trade at a yield of 5.28 percentage points above yields of comparable U.S. Treasurys, up from 3.23 points at their June low for the year.

Investors’ “panicky logic” also includes some “nervousness” ahead of a meeting this week when the Fed may provide updated signals on interest rates, said Anthony Valeri, investment strategist at LPL Financial, which directly oversees or advises on $415 billion of assets.

U.S. high-yield bonds have returned just 0.78% this year, including price action and dividends, according to Barclays, putting the debt on track for its worst showing since 2008. Junk bonds returned 7.44% last year and 15.8% in 2012, Barclays said.

Since June, investors have yanked more than $22 billion from funds dedicated to junk bonds, according to fund tracker Lipper. Investors withdrew an additional $1.9 billion in the latest week ended Wednesday.

To be sure, the factors that have supported the junk-market rally since 2009 remain largely in place.

The U.S. economy is growing, with job creation expanding last month at the fastest clip since the tech boom of the late 1990s, and interest rates and defaults remain low. Despite the issuance slowdown, financing remains broadly available and defaults are low.

What’s more, high-returning investments remain scarce amid low yields on safer bonds, meaning that many investors retain the “reach for yield” mentality that favors risk taking in income-generating securities.

“These bonds have been beaten up tremendously and they’re not all going to default,” said Brendan Dillon, senior investment manager at Aberdeen Asset Management Inc. Mr. Dillon said he has added 1% to 2% to the firm’s energy exposure within its high-yield funds because those bonds were oversold. Still, traders are scurrying to reposition.

Daily high-yield trading volumes earlier this month reached an average of $8.2 billion, said J.P. Morgan, just shy of their October record and up from the daily average of $5.6 billion in 2013.

Junk-bond issuance has slowed. Companies such as Dallas refiner Alon USA Energy Inc. have pulled deals. Units of casino and resorts operator Parq Holdings LP and food and beverage giant JBS USA also canceled planned bond sales this month, according to Leveraged Commentary & Data.

JBS didn’t respond to a request for comment. Parq had no comment.

-Matt Wirz contributed to this article.

Write to Katy Burne at katy.burne@wsj.com

Companies To Watch

Towergate Holdings II Ltd.

DOWNGRADE

Moody's Investors Servics cut its corporate family rating on Towergate Holdings II Ltd. by two notches on Friday to Caa3, saying the London insurance brokerage is faced with tightening liquidity and could implement "some form of corporate restructuring." In a research note on Dec. 12, Moody's analysts wrote that Towergroup's revenue and cash flows will remain under pressure because of tough market conditions in the U.K., potential hurt sales from the implementation of processes changes and reputational damage following the exit of top executives in recent months. Last month, Towergate said it had hired Evercore Partners and investment bank Rothschild to help it evaluate acquisition proposals. Moody's said that Towergate's "strong franchise" is attractive to prospective bidders but given its "significant indebtedness Moody's sees an elevated probability of some form of corporate restructuring." Towergate is the U.K.'s largest independently owned insurance intermediary, employing more than 5,000 people. It reported revenue of GBP 328.5 million ($513 million) in the nine months ended Sept. 30, compared with GBP 332.5 million the previous year. Its losses before taxes rose to GBP 112 million in the period from GBP 19 million a year earlier.

SemiLEDs Corp.

GOING CONCERN

SemiLEDs Corp. said there is substantial doubt about its ability to continue as a going concern because of mounting losses since 2012 and shrinking liquidity. The Taiwan-based developer and manufacturer of LED chips and LED components said in a Securities and Exchange Commission filing on Friday that its cash position had dropped to $12.6 million as of Aug. 31 from $36.3 million a year earlier. In the year ended Aug. 31, SemiLEDs posted a net loss of $24.5 million, compared with a net loss of $43.7 million the previous year. The company's accumulated deficit is $132.6 million. SemiLEDs said that it is implementing steps to boost liquidity by cutting costs through workforce reduction and improving operations by consolidating its manufacturing. It expects to improve cash flows by $5 million to $7 million with these actions. Also under a plan to boost liquidity, SemiLEDs is raising approximately $5 million from the sale of 15% of its outstanding shares in a private placement to be closed in coming weeks. SemiLEds' shares, which trade on the Nasdaq, ended at 68 cents per share on Dec. 12. They had lost 27% in the year to Dec. 12 but gained nearly 46% last month.

Companies may be included on this list for a variety of reasons. The most common include these events: • default - the company defaults on a principal or interest payment • covenant problems - the company violates covenants on its debt agreement • downgrade - the company's debt is significantly downgraded by a public ratings agency, or a ratings agency indicates the company is vulnerable to default • going concern doubt - the company's auditors question whether the company has the ability to continue as a going concern • litigation - a substantial monetary judgment resulting from a lawsuit has been entered against the company. Inclusion of a company in this category is not intended to suggest that it will file for bankruptcy protection, default on its debt or suffer any other financial failure.

Bankruptcy Trades

The following table contains information about selected transfers of claims against companies operating under Chapter 11 protection as reported to federal bankruptcy courts during the week ended Dec. 12. These claims include, but are not limited to, trade claims. Buyers of bankrupt companies' debt claims are not required to report to the court the amount paid for the claims, which are often below face value.

DEBTOR			
Seller	**Buyer**	**Date**	**Claim Amount**
AGUA TIBIA RANCH, LLC			
RANCHO CALIFORNIA WATER DISTRICT	BERESFORD DEVELOPMENT, LLC	12/12/2014	$480,927.63
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$6,543,677.21
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$9,550,373.22
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$14,607,055.94
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$15,508,757.62
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$63,997,636.47
AMERICAN PACIFIC FINANCIAL CORPORATION			
BERTHA RONQUILLO	ASM CAPITAL V, L.P.	12/12/2014	$139,710.33
DANIEL & SANDRA DERIEG	HAIN CAPITAL HOLDINGS, LLC	12/10/2014	$21,955.57
PURCELL FAMILY TRUST	LIQUIDITY SOLUTIONS, INC.	12/12/2014	$20,235.65
ARMORWORKS ENTERPRISES, LLC			
A1A VISTA TECH INC	LIQUIDITY SOLUTIONS, INC.	12/11/2014	$7,450.00
SAVANNAH LUGGAGE WORKS	LIQUIDITY SOLUTIONS, INC.	12/11/2014	$1,265.00
AWI DELAWARE, INC.			
ACCORD TRANSPORTATION, INC.	FAIR LIQUIDITY PARTNERS, LLC.	12/8/2014	$1,900.00
COUNTRY PURE FOODS	TANNOR PARTNERS CREDIT FUND LP.	12/12/2014	$7,544.25
CROWNE PLAZA	FAIR HARBOR CAPITAL, LLC.	12/11/2014	$2,678.55
CROWNE PLAZA	FAIR HARBOR CAPITAL, LLC.	12/11/2014	$2,678.55
FOX LEDGE INC.	ASM CAPITAL V, L.P.	12/8/2014	$10,148.00
FOX LEDGE INC.	ASM CAPITAL V, L.P.	12/8/2014	$12,515.00
FP DUFFY INC.	ASM CAPITAL V, L.P..	12/8/2014	$3,481.20
FRISARDS TRUCKING CO. INC.	FAIR LIQUIDITY PARTNERS, LLC.	12/8/2014	$1,900.00
H.A.N.J ENTERPRISES	FAIR HARBOR CAPITAL, LLC.	12/11/2014	$3,612.80
JACKSON MITCHELL	FAIR LIQUIDITY PARTNERS, LLC.	12/8/2014	$11,760.58
RAJBHOG FOODS	ASM CAPITAL V, L.P.	12/8/2014	$4,318.10
RE GARRISON TRUCKING, INC.	FAIR LIQUIDITY PARTNERS, LLC.	12/8/2014	$900.00
SPANGLER CANDY COMPANY	VONWIN CAPITAL MANAGEMENT, LP.	12/9/2014	$2,101.83
SPANGLER CANDY COMPANY	VONWIN CAPITAL MANAGEMENT, LP.	12/9/2014	$3,043.56
THE STERNO GROUP	FAIR LIQUIDITY PARTNERS, LLC.	12/8/2014	$1,143.36
US CENTRAL BILLING INC	ASM CAPITAL V, L.P..	12/8/2014	$43,350.00
US CENTRAL BILLING INC.	ASM CAPITAL V, L.P..	12/8/2014	$8,254.33
UTILITY KEYSTONE TRAILER SALES, INC.	LIQUIDITY SOLUTIONS, INC..	12/10/2014	$14,490.25
ELGIN BUTLER COMPANY			
T K GROUP, INC.	LIQUIDITY SOLUTIONS, INC.	12/12/2014	$2,480.00

see **Bankruptcy Trades** on page 12

Bankruptcy Trades continued from page 11

DEBTOR Seller	Buyer	Date	Claim Amount
GT ADVANCED TECHNOLOGIES, INC.			
AIRGAS USA, LLC	ARGO PARTNERS	12/11/2014	$1,462,931.08
ASR REFRACTORY SERVICE INC	CLAIMS RECOVERY GROUP LLC	12/8/2014	$4,325.50
GREENPAGES, INC. DBA GREENPAGES TECHNOLOGY SOLUTIONS	LIQUIDITY SOLUTIONS, INC.	12/8/2014	$30,562.00
KEYSTONE PARTNERS, LLC	CLAIMS RECOVERY GROUP LLC	12/8/2014	$33,000.00
SHETLAND PROPERTIES OF SALEM L.P.	LIQUIDITY SOLUTIONS, INC.	12/8/2014	$42,955.98
STANDARD SOURCE, INC.	LIQUIDITY SOLUTIONS, INC.	12/8/2014	$47,440.56
TRUCK COURIER INCORPORATED	CLAIMS RECOVERY GROUP LLC	12/8/2014	$2,304.40
INTERNATIONAL FOREIGN EXCHANGE CONCEPTS HOLDINGS, INC.			
SKYLINE	LIQUIDITY SOLUTIONS, INC.	12/11/2014	$1,442.96
JOHN HASSALL, INC.			
METALS TESTING COMPANY	LIQUIDITY SOLUTIONS, INC	12/8/2014	$5,641.15
SILVERMAN-GORF	LIQUIDITY SOLUTIONS, INC	12/8/2014	$4,245.51
USA PRECISION GRINDING CORP.	LIQUIDITY SOLUTIONS, INC	12/12/2014	$1,662.56
LB 745 LLC			
THE WALT DISNEY COMPANY	LEHMAN BROTHERS COMMERCIAL CORPORATION	12/12/2014	$1,809,218.00
LEHMAN BROTHERS HOLDINGS INC.			
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$310,811.85
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$333,256.52
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$364,000.00
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$527,677.59
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$630,647.25
ALDEN GLOBAL DISTRESSED OPPORTUNITIES MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$754,786.01
ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$68,336.64
ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$78,514.44
ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$363,492.76
ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.	GOLDMAN, SACHS & CO.	12/9/2014	$399,000.00
BANCA MONTE DEI PASCHI DI SIENNA S.P.A.	ILLIQUIDX LLP	12/11/2014	$145,256.32
BANK HAPOALIM B.M.	BRUCE MACDONALD	12/10/2014	$400,000.00
BANK HAPOALIM B.M.	ROTH IRA FBO RICHARD FELS PERSHING LLC AS CUSTODIAN	12/10/2014	$100,000.00
BANK HAPOALIM BM TEL AVIV	BANK HAPOALIM BM	12/10/2014	$220,000.00

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Bankruptcy Trades continued from page 12

DEBTOR Seller	Buyer	Date	Claim Amount
LEHMAN BROTHERS HOLDINGS INC. (CONT.)			
BARCLAYS BANK PLC	GOLDMAN SACHS LENDING PARTNERS LLC	12/8/2014	$22,000,000.00
BARCLAYS BANK PLC	HBK MASTER FUND L.P.	12/10/2014	$14,191,057.71
CITIGROUP FINANCIAL PRODUCTS INC.	HBK MASTER FUND L.P.	12/10/2014	$20,000,000.00
CITIGROUP FINANCIAL PRODUCTS INC.	HBK MASTER FUND L.P.	12/10/2014	$20,000,000.00
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS OPPORTUNITIES FUND 1 LP	12/12/2014	$1,426,883.31
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS OPPORTUNITIES FUND 1 LP	12/12/2014	$1,575,000.00
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS OPPORTUNITIES FUND 2 LP	12/12/2014	$2,264,894.14
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS OPPORTUNITIES FUND 2 LP	12/12/2014	$2,500,000.00
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS RECOVERY FUND III MASTER LP	12/12/2014	$838,010.83
CITIGROUP FINANCIAL PRODUCTS INC.	SOLUS RECOVERY FUND III MASTER LP	12/12/2014	$925,000.00
CREDIT SUISSE AG	BANK JULIUS BAER & CO. LTD.	12/9/2014	Ä 30,000.00
CREDIT SUISSE AG	BANK JULIUS BAER & CO. LTD.	12/9/2014	$30,000.00
CREDIT SUISSE AG	BANK JULIUS BAER & CO. LTD.	12/9/2014	$100,000.00
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$680,492.46
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$1,218,160.53
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$1,235,881.84
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$1,494,463.56
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/12/2014	$2,227,869.67
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$2,425,527.04
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$2,990,118.10
DEUTSCHE BANK AG LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$7,333,049.00
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL ADFERO BPI FUND, LTD	12/11/2014	$5,673.22
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL ADFERO BPI FUND, LTD	12/11/2014	$53,328.24
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL ADFERO BPI FUND, LTD	12/11/2014	$113,392.31
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL ADFERO BPI FUND, LTD	12/11/2014	$848,713.30
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL VALUE RECOVERY MASTER FUND, LP	12/11/2014	$21,882.38
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL VALUE RECOVERY MASTER FUND, LP	12/11/2014	$205,694.39
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL VALUE RECOVERY MASTER FUND, LP	12/11/2014	$437,374.73
DEUTSCHE BANK AG, LONDON BRANCH	ALDEN GLOBAL VALUE RECOVERY MASTER FUND, LP	12/11/2014	$3,273,604.35
DEUTSCHE BANK AG, LONDON BRANCH	ALTUNED HOLDINGS LLC	12/11/2014	$20,000,000.00
DEUTSCHE BANK AG, LONDON BRANCH	ALTUNED HOLDINGS LLC	12/11/2014	$20,000,000.00
DEUTSCHE BANK AG, LONDON BRANCH	PERMAL STONE LION FUND LTD.	12/8/2014	$2,062,500.00
DEUTSCHE BANK AG, LONDON BRANCH	PERMAL STONE LION FUND LTD.	12/8/2014	$2,062,500.00
DEUTSCHE BANK AG, LONDON BRANCH	STONE LION PORTFOLIO L.P.	12/8/2014	$22,937,500.00
DEUTSCHE BANK AG, LONDON BRANCH	STONE LION PORTFOLIO L.P.	12/8/2014	$22,937,500.00
DEUTSCHE BANK AG, LONDON BRANCH	TRINITY INVESTMENTS LIMITED	12/10/2014	$14,584,846.87
DEUTSCHE BANK AG, LONDON BRANCH	TURNPIKE LIMITED	12/11/2014	$5,673.22
DEUTSCHE BANK AG, LONDON BRANCH	TURNPIKE LIMITED	12/11/2014	$53,328.24
DEUTSCHE BANK AG, LONDON BRANCH	TURNPIKE LIMITED	12/11/2014	$113,392.31
DEUTSCHE BANK AG, LONDON BRANCH	TURNPIKE LIMITED	12/11/2014	$848,713.30
DEUTSCHE BANK AG, LONDON BRANCH	WILSHIRE ALDEN GLOBAL EVENT DRIVEN OPPORTUNITIES SEGREGATED PORTFOLIO	12/11/2014	$3,241.82

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Bankruptcy Trades continued from page 13

DEBTOR Seller	Buyer	Date	Claim Amount
LEHMAN BROTHERS HOLDINGS INC. (CONT.)			
DEUTSCHE BANK AG, LONDON BRANCH	WILSHIRE ALDEN GLOBAL EVENT DRIVEN OPPORTUNITIES SEGREGATED PORTFOLIO	12/11/2014	$30,473.11
DEUTSCHE BANK AG, LONDON BRANCH	WILSHIRE ALDEN GLOBAL EVENT DRIVEN OPPORTUNITIES SEGREGATED PORTFOLIO	12/11/2014	$64,798.52
DEUTSCHE BANK AG, LONDON BRANCH	WILSHIRE ALDEN GLOBAL EVENT DRIVEN OPPORTUNITIES SEGREGATED PORTFOLIO	12/11/2014	$484,976.30
GOLDMAN SACHS LENDING PARTNERS LLC	BARCLAYS BANK PLC	12/8/2014	$22,000,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$72,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$72,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$183,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$183,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$411,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$411,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,098,500.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,098,500.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,600,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,600,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,849,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$1,849,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$3,348,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$3,348,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$3,509,945.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$3,509,945.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$4,600,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$4,600,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$4,768,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$4,768,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$5,646,158.46
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$5,646,158.46
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$7,424,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$7,424,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$8,750,217.16
GOLDMAN SACHS LENDING PARTNERS LLC	FIFTH STREET STATION LLC	12/8/2014	$8,750,217.16
GOLDMAN SACHS LENDING PARTNERS LLC	STONEHILL INSTITUTIONAL PARTNERS, L.P.	12/9/2014	$11,000,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	STONEHILL INSTITUTIONAL PARTNERS, L.P.	12/9/2014	$11,000,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	STONEHILL MASTER FUND LTD	12/9/2014	$11,000,000.00
GOLDMAN SACHS LENDING PARTNERS LLC	STONEHILL MASTER FUND LTD.	12/9/2014	$11,000,000.00
GOLDMAN, SACHS & CO	BKM HOLDINGS (CAYMAN) LTD.	12/10/2014	$66,716,868.00
GOLDMAN. SACHS & CO.	ALEITER HOLDINGS LLC	12/10/2014	$3,644,789.43
GOLDMAN. SACHS & CO.	ALEITER HOLDINGS LLC	12/10/2014	$69,207,261.61
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$2,068,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$2,827,712.55
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/10/2014	$4,142,287.45
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$4,746,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$5,749,000.00
HCN LP	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$1,395,000.00
HLTS FUND LL LP	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$743,000.00

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DEBTOR Seller	Buyer	Date	Claim Amount
LEHMAN BROTHERS HOLDINGS INC. (CONT.)			
ICCREA BANCA S.P.A ON BEHALF OF BCA DI CREDITO COPERATIVO DELLE PREALPI	ILLIQUIDX LLP	12/11/2014	$201,317.91
INTESA SANPAOLO SPA	ILLIQUIDX LLP	12/11/2014	$29,051.26
J.P. MORGAN SECURITIES PLC	HBK MASTER FUND L.P.	12/12/2014	$14,246,381.38
JOSE CRUZ GUILHERME, MATIAS	ILLIQUIDX LLP	12/11/2014	$151,452.73
JULIUS BAER & CO. LTD	CREDIT SUISSE AG	12/10/2014	$50,000.00
MORGAN STANLEY & CO. INTERNATIONAL PLC	CANYON DISTRESSED OPPORTUNITY INVESTING FUND II, L.P.	12/9/2014	$627,171.09
REDWOOD MASTER FUND, LTD.	BARCLAYS BANK PLC	12/10/2014	$28,333,000.00
REDWOOD MASTER FUND, LTD.	BARCLAYS BANK PLC	12/10/2014	$28,333,000.00
RIVERROCK SECURITIES LIMITED	VARDE INVESTMENT PARTNERS, L.P.	12/10/2014	$2,249,864.57
SENATOR GLOBAL OPPORTUNITY MASTER FUND L.P.	CITIGROUP FINANCIAL PRODUCTS INC.	12/11/2014	$9,059,576.56
SENATOR GLOBAL OPPORTUNITY MASTER FUND L.P.	CITIGROUP FINANCIAL PRODUCTS INC.	12/11/2014	$10,000,000.00
STICHTING THE IAMEX VALUE FOUNDATION	AMSTEL ALTERNATIVE CREDIT FUND SICAV P.L.C.	12/10/2014	$127,719.53
STICHTING THE IAMEX VALUE FOUNDATION	AMSTEL ALTERNATIVE CREDIT FUND SICAV P.L.C.	12/10/2014	$127,719.53
STICHTING THE IAMEX VALUE FOUNDATION	AMSTEL ALTERNATIVE CREDIT FUND SICAV P.L.C.	12/10/2014	$132,507.28
STICHTING THE IAMEX VALUE FOUNDATION	AMSTEL ALTERNATIVE CREDIT FUND SICAV P.L.C.	12/10/2014	$214,692.80
STICHTING THE IAMEX VALUE FOUNDATION	AMSTEL ALTERNATIVE CREDIT FUND SICAV P.L.C.	12/10/2014	$1,686,763.41
SUNSET PARTNERS	ROTH IRA FBO RICHARD FELS PERSHING LLC AS CUSTODIAN	12/10/2014	$480,000.00
THE ROYAL BANK OF SCOTLAND PLC	VARDE INVESTMENT PARTNERS, L.P.	12/8/2014	$7,641,025.17
THE VARDE FUND IX L.P.	BARCLAYS BANK PLC	12/8/2014	$47,400,923.90
THE VARDE FUND IX-A, L.P.	BARCLAYS BANK PLC	12/8/2014	$6,514,203.25
THE VARDE FUND V-B, LP	BARCLAYS BANK PLC	12/8/2014	$391,290.44
THE VARDE FUND VI-A, L.P.	J.P. MORGAN SECURITIES PLC	12/11/2014	$1,424,638.14
THE VARDE FUND VIII, L.P.	BARCLAYS BANK PLC	12/8/2014	$7,051,053.73
THE VARDE FUND X (MASTER), L.P.	J.P. MORGAN SECURITIES PLC	12/11/2014	$5,698,552.55
THE VARDE FUND XI (MASTER), L.P.	J.P. MORGAN SECURITIES PLC	12/11/2014	$4,273,914.41
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$15,993.68
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$39,139.63
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$59,489.83
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$66,448.89
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$71,199.99
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$86,907.07
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$104,014.00
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$124,513.43
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$136,000.00
TURNPIKE LIMITED	GOLDMAN, SACHS & CO.	12/9/2014	$255,815.00

see **Bankruptcy Trades** on page 16

TROLLER BK

Bankruptcy Trades continued from page 15

DEBTOR Seller	Buyer	Date	Claim Amount
LEHMAN BROTHERS HOLDINGS INC. (CONT.)			
VARDE INVESTMENT PARTNERS (OFFSHORE) MASTER, L.P.	BARCLAYS BANK PLC	12/8/2014	$1,566,726.92
VARDE INVESTMENT PARTNERS (OFFSHORE) MASTER, L.P.	J.P. MORGAN SECURITIES PLC	12/11/2014	$1,424,638.14
VARDE INVESTMENT PARTNERS, L.P.	BARCLAYS BANK PLC	12/8/2014	$782,580.88
VARDE INVESTMENT PARTNERS, L.P.	BARCLAYS BANK PLC	12/8/2014	$3,595,176.56
VARDE INVESTMENT PARTNERS, L.P.	J.P. MORGAN SECURITIES PLC	12/11/2014	$1,424,638.14
LEHMAN BROTHERS SPECIAL FINANCING INC.			
BANCA ITALEASE S.P. A.	DEUTSCHE BANK AG, LONDON BRANCH	12/9/2014	$4,500,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$2,068,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$2,827,712.55
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/10/2014	$4,142,287.45
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$4,746,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSCHE BANK AG, LONDON BRANCH	12/10/2014	$5,749,000.00
HALCYON LOAN TRADING FUND LLC	DEUTSHCE BANK AG, LONDON BRANCH	12/10/2014	$4,142,287.45
HCN LP	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$1,395,000.00
HLTS FUND LL LP	DEUTSCHE BANK AG, LONDON BRANCH	12/11/2014	$743,000.00
ITALEASE FINANCE S.P.A.	DEUTSCHE BANK AG, LONDON BRANCH	12/9/2014	$102,320.00
ITALEASE FINANCE S.P.A.	DEUTSCHE BANK AG, LONDON BRANCH	12/9/2014	$3,110,000.00
NATROL, INC.			
INFORMATION RESOURCES, INC.	TRC MASTER FUND LLC.	12/8/2014	$5,140.93
INFORMATION RESOURCES, INC.	TRC MASTER FUND LLC.	12/8/2014	$17,427.04
SYMPHONYIRI GROUP	TRC MASTER FUND LLC.	12/8/2014	$17,150.64
NAUTILUS HOLDINGS LIMITED			
TERASAKI ELECTRIC CO.	ARGO PARTNERS	12/8/2014	$2,824.00
PACIFIC STEEL CASTING COMPANY			
PETERSON	LIQUIDITY SOLUTIONS, INC.	12/8/2014	$43,278.32
PETERSON TRACTOR COMPANY	LIQUIDITY SOLUTIONS, INC.	12/8/2014	$4,152.52
PEREGRINE FINANCIAL GROUP, INC.			
EMIL ACKERMANN	LIQUIDITY SOLUTIONS, INC.	12/12/2014	$13,932.33
POINT BLANK SOLUTIONS, INC.			
JOHN C TUCKER CO INC	LIQUIDITY SOLUTIONS, INC.	12/12/2014	$1,492.01
REFCO PUBLIC COMMODITY POOL, L.P.			
PIONEER FUNDING GROUP, LLC	SCOTT CARROLL TTEE U/A DTD 7-1-94.	12/12/2014	98.3937 units

see **Bankruptcy Trades** on page 17

Bankruptcy Trades continued from page 16

DEBTOR Seller	Buyer	Date	Claim Amount
ROXWELL PERFORMANCE DRILLING, LLC			
BASIN TEK LLC	TRC MASTER FUND LLC	12/12/2014	$39,285.00
NITRO-LIFT TECHNOLOGIES, LLC	TRC MASTER FUND LLC	12/8/2014	$15,380.00
PEAK COMPLETIONS TECHNOLOGIES, INC.	TRC MASTER FUND LLC	12/12/2014	$82,535.02
WEATHERFORD CANADA PARTNERSHIP	TRC MASTER FUND LLC.	12/11/2014	$819,288.60
THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF METR			
BOB LURIE GLASS CORP.	LIQUIDITY SOLUTIONS, INC.	12/11/2014	$1,370.00
EGGERS IMPRINTS	SONAR CREDIT PARTNERS III, LLC.	12/9/2014	$2,036.00
IDENTISYS	SONAR CREDIT PARTNERS III, LLC.	12/9/2014	$1,874.00
UNITEK GLOBAL SERVICES, INC.			
BROWNING, LLC	SIERRA LIQUIDITY FUND, LLC.	12/8/2014	$415.00
STATE-LINE EXTERMINATING	SIERRA LIQUIDITY FUND, LLC.	12/10/2014	$120.00
UNIVERSAL COOPERATIVES, INC.			
ALLFLEX USA, INC.	LIQUIDITY SOLUTIONS, INC.	12/12/2014	$156,657.21
VAIL LAKE USA, LLC			
RANCHO CALIFORNIA WATER DISTRICT	BERESFORD DEVELOPMENT LLC	12/12/2014	$480,927.63
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$6,543,677.21
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$9,550,373.22
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$14,607,055.94
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$15,508,757.62
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$63,997,636.47
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$207,866.21
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$754,413.98
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$2,249,056.43
VAIL LAKE VILLAGE & RESORT, LLC			
RANCHO CALIFORNIA WATER DISTRICT	BERESFORD DEVELOPMENT, LLC	12/12/2014	$480,927.63
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$6,543,677.21
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$9,550,373.22
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$15,508,757.62
RANCHO CALIFORNIA WATER DISTRICT	CAMBRIDGE FINANCIAL OF CALIFORNIA LLC	12/12/2014	$63,997,636.47
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$207,866.21
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$754,431.98
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$2,249,056.43
RANCHO CALIFORNIA WATER DISTRICT	XD CONEJO NOTES, LLC	12/12/2014	$14,607,055.94

Source: Troller BK www.trollerbk.com/dbr

Active Bonds

ACTIVE BANKRUPT BOND PRICE INDICATIONS

Issuer	Coupon	Maturity	Most Recent Price	Previous Trade Price	Previous Trade Date	Change
AMERICAN AIRLINES GROUP INC	5.5	10/1/19	103.785	101.5	12/12/14	2.285
AMERICAN AIRLINES GROUP INC	5.5	10/1/19	99.25	101.75	12/10/14	-2.5
ENDEAVOUR INTERNATIONAL CORP	12	3/1/18	46.75	50.056	12/8/14	-3.306
GENON AMERICAS GENERATION LLC	9.125	5/1/31	87.75	88.787	12/11/14	-1.037
GENON AMERICAS GENERATION LLC	8.5	10/1/21	75	85	12/12/14	-10
GREEKTOWN HOLDIGNS LLC	8.875	3/15/19	100	100.25	12/11/14	-0.25
GT ADVANCED TECHNOLOGIES INC	3	12/15/20	49.551	44	12/11/14	5.551
GT ADVANCED TECHNOLOGIES INC	3	10/1/17	46.75	46	12/12/14	0.75
LEE ENTERPRISES INC	9.5	3/15/22	101.75	100	12/12/14	1.75
NORTEL NETWORKS CORP	2.125	4/15/14	97.75	97.75	12/10/14	0
NORTEL NETWORKS CORP	1.75	4/15/12	97.5	97.5	12/10/14	0
NORTEL NETWORKS LTD	10.75	7/15/16	111.75	111.5	12/12/14	0.25
NORTEL NETWORKS LTD	5.34438	7/15/11	103.75	103.75	12/12/14	0
TEXAS COMPETITIVE ELECTRIC HOLDINGS CO LLC	11.5	10/1/20	70	73.75	12/10/14	-3.75
UNITED CONTINENTAL HOLDINGS INC	6	12/1/20	102.25	102.375	12/12/14	-0.125
UNITED CONTINENTAL HOLDINGS INC	6.375	6/1/18	104.313	104	12/12/14	0.313
UNITED CONTINENTAL HOLDINGS INC	6	7/15/28	94.313	94.5	12/12/14	-0.187
UNITED CONTINENTAL HOLDINGS INC	6	7/15/26	96.375	98.7	12/12/14	-2.325

Source: MarketAxess, marketaxess.com

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CORRECTION

"Kangadis Cleared to Exit Bankruptcy After Settling Lawsuit," published in Friday's *Daily Bankruptcy Review*, said that Themistoklis Kangadis will pump up to $1 million of new money into Kangadis Food under its bankruptcy-exit plan. In light of a settlement reached with creditors, that provision is no longer included in the plan. The error also occurred in the articles "Kangadis Cleared to Exit Bankruptcy After Settling Lawsuit" and "Trump Taj Mahal to Fight for Survival."