The Turnaround Letter

Volume 34, Number 7 *January 2020*

2020 OUTLOOK: POSITIVE BUT NOT A REPEAT OF 2019

Wow. How else can we describe the stock market's strong and resilient upward march this year to a 32% total return? In hindsight, one *might* explain it this way: the first 16% increase was the recovery from last year's startling 14% plummet in the fourth quarter, driven by a reversal in the Fed's over-tightening, followed by a modestly better-than-average year's worth of gains (about 14%), which produced the 32% return. Yet, few, including us, expected such an uplifting outcome in 2019.

Over the past decade, stocks have produced a rewarding 13.4% annualized rate of return – clearly much better than the first decade of this century when stocks produced a negative return.

Within the S&P500 this year, all eleven sectors had positive returns. The strongest sector was technology, with a 51% total return, powered by Microsoft's 57% return and Apple's 86% return. These two stocks, each with market capitalizations above $1.2 trillion, now comprise a remarkable 9% of the S&P 500's total weight. Energy was the weakest sector yet still provided a positive, albeit relatively modest, 12% total return.

The largest stocks by market cap produced the strongest returns, while smaller cap stocks modestly lagged with an otherwise very respectable 26% gain. Growth stocks (+37% return) once again led value stocks (+27 return).

Falling interest rates no doubt helped boost stocks. The 10-year Treasury yield fell to 1.88% after starting the year at a 2.68% yield. Short-term rates also dropped, with the 3-month T-bill rate falling from a 2.45% yield to 1.57%. Since bond prices increase as interest rates decline, bond returns were among the strongest in years. Overall corporate bond returns were +8.6%, while high-yield bonds returned an impressive +14.3%. The improved economic outlook helped boost commodity prices, with gold prices increasing 18% to $1,515/ounce and oil prices jumping a surprising 36% to $62/barrel.

Stock market returns outside of the United States were healthy, as well. In U.S-dollar terms, developed country markets, as represented by the MSCI EAFE index, produced an 18% return. Emerging market returns weren't as impressive, at 15%, partly held back by weak gains in India (+6%) and Korea (+10%), as well as sharp declines in Argentina (-22%) and Chile (-19%). Returns in China were healthy at 20%.

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Frontier countries, representing the highest risk markets, produced a very wide range of returns (perhaps as one should expect), from +47% in Bahrain to -93% in Zimbabwe. As U.S. dollar exchange rates did not meaningfully change, local market returns for most major markets generally were similar to the U.S. dollar-based returns.

Before outlining our 2020 outlook, we review how our 2019 forecast turned out. We were right that the domestic economy would not slide into a recession, and that growth would slow from its torrid 2018 pace. Our call on the Fed's policy was partly right, in that the Fed did not raise rates, but we were surprised by the three rate cuts. Inflation, as we expected, was at/slightly above a 2% rate.

However, much more humbly, our 7% total return forecast for the S&P500 fell decidedly short of the mark. We also over-estimated the market's volatility, as the market's rise was relatively steady throughout the year, with investors "looking through" slowing economic growth, high corporate and government debt levels and political/trade uncertainties.

Looking ahead to 2020, we see continued gains in the S&P500, but not a repeat of 2019's strong performance. Given the market's historical 10% average annual rate of return, we expect that 2020's return will be a modestly lower 8%. Earnings growth of about 6%, plus a steady 17.8x earnings multiple and a roughly 2% yield from dividends, would combine to generate this 8% return.

We expect that value stocks will rebound as high-priced growth stocks struggle to expand their high valuation multiples. Small cap stocks will likely produce competitive returns but not outperformance relative to large cap stocks, as continued economic expansion will be offset by headwinds for financials and biotech stocks (financials and healthcare are the two largest weights in the Russell 2000 index at a combined 36%). We anticipate that bonds generally will produce modest returns as interest rates won't continue to decline.

With the upcoming presidential election in November, along with the record-long expansion and bull market, the range of possible outcomes appears wider now than it did a year ago.

We want to emphasize one of our most basic investment beliefs: you shouldn't try to time the market. The market's losses for 2018 made it tempting for investors to trim their stock holdings. And, the reverse is true as well – the market can slide downwards just when you think the coast is clear. Timing the market can lead to financially damaging "whipsaw" investing – bailing just before the market rebounds and then diving back in just prior to a drop.

Baseball legend Yogi Berra once supposedly said, "predictions are difficult, especially about the future." As 2021 will be on the horizon in twelve months, investors will be evaluating conditions that are not predictable today. Yet, one prediction that will almost certainly be accurate: the upcoming decade will produce impressive improvements in technology as well as a steady evolution of industries, businesses and their leadership. We remain highly optimistic.

2019 BANKRUPTCY REVIEW

Despite headlines in the financial press about how low default rates and bankruptcies have been, we actually saw a solid uptick in bankruptcy filings by publicly traded companies in 2019. Moreover, we believe it could be the beginning of a sustained upward trend that will continue for several years.

Through December 22 there were 63 bankruptcy filings by publicly traded companies this year, compared to 58 filings a year. More significantly, the assets going into bankruptcy rose quite sharply, with total assets entering bankruptcy of more than $150 billion versus $52 billion last year. The asset total in 2019 was somewhat skewed by one very large bankruptcy – PG&E Corporation, the California utility, which had $71 billion in assets – and a large mortgage company – Ditech with $14 billion (financial companies often show large asset totals).

Nonetheless, other metrics show significant growth in large bankruptcies. For example, there were 21 companies with more than $1 billion in assets that filed for bankruptcy in 2019 compared to only 12 in 2018.

The headlines were also a little misleading in terms of the industries with the most bankruptcies. The press focused mostly on the bankruptcy activity in the energy and retail sectors. While there definitely has been a lot of activity in those sectors over the past year, there were a number of significant filings across a wide range of other industries. Of the 63 public filings in 2019, 14 were oil & gas companies and three more were coal producers. Only four of the public filers were retailers (although there were many more private companies in the retailing sector that filed for bankruptcy during the year).

Other sectors with significant bankruptcy activity included chemicals (nine public filings), telecommunications (five), healthcare and transportation (four each). It is also worth noting that the five largest filers (see table [location]) came from five different industries (utilities, mortgage finance, telecommunications, oilfield services and travel).

PUBLIC BANKRUPTCIES: 2010-2019

YEAR	NUMBER of COMPANIES	ASSETS[1] ($Million)
2010	85	22,099
2011	82	58,256
2012	80	44,401
2013	67	33,108
2014	54	71,918
2015	79	76,903
2016	99	104,665
2017	71	106,932
2018	58	52,026
2019[2]	62	150,241

1. Aggregate of total pre-filing assets of all publicly-traded companies filing for Chapter 11, 7, or 15 (excluding financial companies).
2. Through 12/22/19.

Source: *BankruptcyData.com*

We have previously noted the huge amount of lower quality debt, both high yield bonds and so-called “leveraged loans” (a euphemism for lower quality bank debt), that has been raised in recent years. A significant portion of that debt matures over the next few years. Some fraction of that debt will not be capable of being refinanced and will end up in bankruptcy or some other form of restructuring.

If the debt markets and the economy both remain strong, the percentage of outstanding debt that requires restructuring will remain small, but because of the huge amount of debt out there, the actual quantity of debt to be restructured will still be very substantial. If the debt markets weaken – and the current period of favorable conditions in the debt markets is unprecedented in terms of longevity – the number of restructurings and bankruptcies could soar. Any weakness in the U.S. economy would only magnify the effect.

While it is always difficult to predict the future, we strongly suspect that the increase in public bankruptcies that we've seen in 2019 is the beginning of a multi-year trend. How sharp the increase will be in 2020 and beyond will depend on the conditions in the debt markets and the economy as a whole.

Largest Bankruptcies of 2019[1]

COMPANY	ASSETS[2] ($Million)	FILING DATE
PG&E	71,385	1/29/19
Ditech Holding	14,164	2/11/19
Windstream Holdings	13,126	2/25/19
Weatherford Intl	6,601	7/1/19
Thomas Cook Group	6,569	9/16/19
EP Energy Corp	4,181	10/3/19
Bristow Group	2,861	5/11/19
Dean Foods	2,322	11/12/19
Sanchez Energy	2,160	8/11/19
Hexion Holdings	2,097	4/1/19

1. Through 12/22/19.
2. Assets at fiscal year-end prior to filing.
Source: *BankruptcyData.com*

FAVORITE STOCKS FOR 2020

Each year-end, we select from our list of Buy recommendations the names we consider our "Top Five" ideas for the coming year. While we like all of our current 46 Buy recommendations (otherwise they wouldn't be on the list), we consider these five to be the most timely for potentially strong gains in 2020. As always, we recommend holding a well-diversified group of turnaround stocks, as individual turnaround stocks can be risky.

While our picks don't always produce strong returns, our 2019 Top Five selections performed well. As a group, they delivered an average total return (including dividends) of 25%, led by General Electric (+55%) and Adient (+41%). Janus Henderson Group produced a 26% return, while Newell Brands (+8%). Small-cap energy company Amplify Energy (-7%) rounded out the slate.

Similar to prior years, we expect some media coverage of our Top Five ideas after the new year. As such, we will also publish them on our website. However, as a loyal subscriber, it's only fair that you see the list first:

Amplify Energy (**AMPY**) – Previously Buy-rated Midstates Petroleum recently merged with Amplify Energy and we continue to like the post-combination Amplify. This small-cap oil and gas company, focused primarily in east Texas, Oklahoma and Louisiana, produces a reasonably stable volume of oil and gas that requires only modest capital spending. Combined with its expense discipline and profitable operations, Amplify generates positive free cash flow, unlike many of its peers. Its management team remains focused on returning this cash to shareholders, including a commitment to paying a $.20/share quarterly dividend that currently offers a generous 12.2% yield. Its modest debt buoys its financial flexibility. The shares trade at a low 4.2x

EBITDA even with the recent upward move. Any tightness in the global oil market will continue to push these shares higher.

Gannett (GCI) – Its recent merger with New Media Investment Group makes Gannett the nation's largest newspaper publisher. We expect Gannett's relatively stable revenue stream combined with considerable cost savings will boost EBITDA and help provide the cash flow needed to reduce its now-sizeable and expensive debt. The leadership team looks capable and is overseen by private equity firm Fortress Investment Group, which retained its shares along with incentives to lift the company's value. Even if the company achieves only half of its plan to generate $275-300 million in synergies, and trades at a modest 4.5x EV/EBITDA multiple in a few years, the shares have considerable upside. While waiting, investors will be paid an attractive $0.19/share quarterly dividend which appears sustainable and provides a 12.1% yield.

Peabody Energy (BTU) – A top global coal producer, Peabody is among the most out-of-favor companies in the market. Investors currently favor momentum stocks, particularly those in low-carbon, high-tech, secular growth industries. With its carbon-intensive, low-tech, secularly challenged product, taint from its recent emergence from bankruptcy, declining profits, loss of a valuable mine due to fire, and a tumbling stock price, Peabody offers almost nothing to most investors. However, demand for both thermal coal and metallurgical coal (for steel-making) remains steady, Peabody generates considerable cash flow, has a healthy balance sheet and is managed with shareholders and capital strength as top priorities. Most importantly, BTU shares trade at only 2.9x estimated 2021 EBITDA, based on expectations for a continued slide in profits over the next two years. At this valuation, there is considerable upside potential if things just go "less wrong" than expected.

Signet Jewelers (SIG) – The company's previous heady growth strategy was fueled by new store openings, same store sales growth and acquisitions. But rising losses from its overly-loose in-house customer credit program, elevated post-acquisition debt and deteriorating results due to its neglect of basic marketing and merchandising drove investors away. Signet shares remain heavily out of favor, down 85% from their late 2015 peak. However, a new leadership team (since late 2017) and a revamped board are overhauling Signet's operations, including offering more relevant products and services, closing stores in weak malls, boosting its e-commerce business and streamlining its costs. The credit operations have been fully outsourced and the related decline in sales appears to have been cycled through. Recent results indicate good progress although the turnaround is only about half-completed so far. Signet has a reasonable

"TOP FIVE" STOCKS FOR 2020

COMPANY	SYMBOL	RECENT PRICE	52-WEEK HIGH-LOW	MARKET CAP $BIL.	2020E EV/EBITDA	DIVIDEND YIELD
Amplify Energy	AMPY	6.58	13.23 - 4.01	0.2	4.2	12.2%
Gannett	GCI	6.27	14.11 - 5.84	0.7	4.9	12.1%
Peabody Energy	BTU	9.34	37.37 - 8.65	1.0	2.9	6.2%
Signet Jewelers	SIG	20.58	37.22 - 10.40	1.0	4.8	7.2%
ViacomCBS	VIAC	42.66	43.04 - 36.92	25.9	7.3	2.3%

Closing prices on December 26, 2019. Source: CapIQ

balance sheet and generates plenty of free cash flow to cover its dividend, currently producing a 7.2% yield. The shares trade for an appealing 4.8x EBITDA multiple.

ViacomCBS (VIAC) – Following the recently completed merger, ViacomCBS shares are out of favor, trading at a 7.3x estimated 2019 EBITDA multiple. Much of the discount is driven by the company's real and perceived weaknesses in the rapidly-changing entertainment industry, particularly with the emergence of intense competition in video streaming services. However, led by CEO Robert Bakish, who successfully improved previously-ailing Viacom, we think the new company can now combine its impressive content and distribution to produce a stronger, more valuable company. Even with minimal increases in EBITDA, the company's potential cash generation could produce $14/share in value. Bakish has moved quickly since the combination, announcing cost-cuts, the sale of their iconic New York City headquarters building and a partial acquisition of movie studio Miramax.

Disclosure note: Accounts managed by an affiliate of the Publisher owns AMPY shares, and employees of the Publisher own all of the stocks discussed in this article.

RECOMMENDATIONS

Purchase Recommendation: Meredith Corporation

MEREDITH CORPORATION
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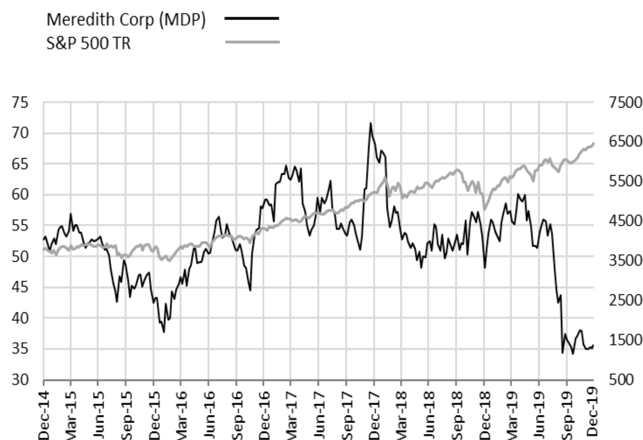
SYMBOL:	**MDP**
MARKET CAP:	**$1.6 BILLION**
CATEGORY:	**MID CAP**
BUSINESS:	**MEDIA/PUBLISHING**
REVENUES (FY2019):	**$3.2 BILLION**
EARNINGS (FY2019):	**$129 MILLION**
12/26/19 PRICE:	**$33.01**
52-WEEK RANGE:	**$60.95-30.69**
DIVIDEND YIELD:	**7.0%**
PRICE TARGET:	**$52**

Background:

Meredith is the nation's largest publisher of print and digital magazines, with powerhouse titles such as *People*, *Travel + Leisure* and *Martha Stewart Living*. Complementing these publications, the company owns a portfolio of 17 local television stations. Founded in 1902 by Edwin Meredith with his *Successful Farming* magazine, the company now has 42 million paid subscribers of its print and digital publications and 30 million viewers of its local television stations. In January 2018, Meredith acquired magazine publisher Time, Inc, for $2.8 billion in an all-cash deal.



While the S&P500 rose over 50% in the five years through mid-2019, Meredith shares remained unchanged. Since then, the market has increased another 10% while Meredith's shares have dropped 37%, driven by its surprisingly weak guidance that Fiscal 2020 EBITDA will be about 20% below consensus expectations. Much of the problem is that the Time acquisition hasn't delivered the anticipated advertising revenues as quickly as the company originally expected. Also, $50 million in new strategic investments, as well as other costs, will weigh on near-term profits.

The weak guidance further stoked investor worries that Meredith may be on the losing side of the battle for profitable media relevance, particularly as its print advertising revenues continue to decline. Meredith's somewhat elevated post-Time debt level, upcoming negotiations with television networks and cable service providers, and changes in their magazine portfolio like the closing of iconic *Family Circle*, only add to investor concerns. The market appears to be turning the page on Meredith.

Analysis:

Despite these investor concerns, Meredith appears well-managed and well-positioned to remain a solidly profitable provider of relevant content to an attractive target market. The company reaches over 180 million Americans (more than Comcast or Disney) including 85 million millennial women, and is a top-10 digital destination with 150 million monthly unique viewers. It stays focused on the highly valuable American women audience, avoiding straying into other categories in the pursuit of growth. In eight of its twelve television markets, Meredith's stations are ranked either #1 or #2.

To remain relevant, the company adapts its portfolio to capture growth driven by changes in its audience's tastes. Their 2016 launch of *The Magnolia Journal*, based on the highly-watched television series featuring Joanna and Chip Gaines, has become one of the industry's most successful and profitable launches. Portfolio upgrades include a new quarterly magazine based on the widely-followed "Property Brothers" series, as well as new television shows that leverage their *People* and *Southern Living* magazine brands. Importantly, Meredith continues to re-format or cull fading titles.

Based on its strong local television market position, we think Meredith's upcoming distribution and network affiliate contract renewals will have a limited yet slightly positive effect on the company's profitability.

Meredith's revenues and profits indicate its ability to monetize its content. The company is successfully increasing its non-advertising revenues, which now comprise nearly half of total revenues. Advertising revenues are slowly declining, but part of the issue is the unexpectedly weak early results from its acquired Time assets. However, advertising performance in these titles is turning around while television advertising remains healthy. Also, the re-alignment and expansion of its sales force and other initiatives are helping Meredith increase its print advertising industry market share to 36.2%. The company's profits remain quite healthy, and are likely to grow this year net of the effect of political advertising last year.

Helping to further boost profits, the company has already achieved $430 million in cost-savings from the Time acquisition, with another $135 million still ahead. An upcoming change-over to a new core technology platform should improve its operating efficiency as well as generate more consumer data and engagement.

Meredith produces generous free cash flow, helped by its low capital spending requirements. The company's top two priorities for this cash

flow are to repay roughly $800 million more in debt and fund its well-covered and recently increased dividend. Meredith has already repaid $825 million of Time acquisition debt, partly with proceeds from asset sales, leaving its $2.4 billion in total debt at a manageable 3.3x EBITDA. High-margin political ad revenues likely coming in calendar 2020 would fund an extra one-time $100 million+ paydown.

Meredith shares trade at a discounted 6.8x forward EBITDA multiple. Its strong market position, attention to tactical and strategic changes to maintain its relevancy, solid financials and attractive 7.0% dividend yield make for a compelling value stock.

We recommend the PURCHASE of shares of Meredith Corporation (MDP) with a $52 price target.

RECOMMENDATION RATINGS CHANGES:

With its tightening financial picture pointing toward a large dividend cut of perhaps 50% or more, we are reducing our rating of **Washington Prime Group** to a **Hold**. The dividend cut would likely result in a sharp decline in the share price, despite a weak share price that may appear to "price in" a dividend cut. As such, we can no longer currently recommend the shares for purchase. However, following a cut, the company could be in a much stronger financial position. At that time, we will re-evaluate the Hold rating.

NEWS NOTES:

Following the all-stock combination of Viacom and CBS, our price target for **ViacomCBS** is $54/share, about 26% above the current stock price. We are retaining our Buy rating. In the merger, Viacom B shareholders receive .59625 shares of new ViacomCBS common stock, which now trades under the VIAC ticker symbol.

PERFORMANCE

The tables below and on the next page show the performance of all our currently active recommendations, plus recently closed out recommendations. For additional details please visit the "Our Portfolio" pages.

SMALL CAP[1] (under $1 billion) CURRENT RECOMMENDATIONS

RECOMMENDATION	SYMBOL	REC. ISSUE	PRICE AT REC.	12/26/19 PRICE	TOTAL % RETURN (3,4)	CURRENT YIELD	CURRENT STATUS (2)
Consolidated Communications	CNSL	July 11	12.90	3.92	-46	0%	Buy (22)
Gannett Company	GCI	Aug 17	9.22	6.27	+22	12.1%	Buy (9)
Amplify Energy	AMPY	Feb 18	16.88	6.58	-59	12.2%	Buy (9.50)
Blue Apron Holdings	APRN	July 18	48.75	7.47	-85	0%	Buy (30)
Oaktree Specialty Lending Corp.	OCSL	Aug 18	4.91	5.45	+23	7.0%	Buy (7)
Signet Jewelers Limited	SIG	Oct 19	17.47	20.58	+20	7.2%	Buy (29)
Peabody Energy	BTU	Dec 19	9.82	9.34	-5	6.2%	Buy (15)

MID CAP[1] ($1 billion - $10 billion) CURRENT RECOMMENDATIONS

RECOMMENDATION	SYMBOL	REC. ISSUE	PRICE AT REC.	12/26/19 PRICE	TOTAL % RETURN (3,4)	CURRENT YIELD	CURRENT STATUS (2)
Janus Henderson Group plc	JHG	Aug 05	32.36	24.74	+1	5.8%	Buy (44.50)
Allscripts Healthcare Solutions	MDRX	Feb 14	16.43	9.88	-40	0%	Buy (24)
Globalstar	GSAT	Nov 14	2.16	0.57	-74	0%	Hold
Mattel, Inc.	MAT	May 15	28.43	13.61	-40	0%	Buy (38)
SeaWorld Entertainment	SEAS	Apr 16	21.45	32.35	+52	0%	Buy (35)
BorgWarner	BWA	Aug 16	33.18	43.81	+39	1.6%	Buy (58)
Washington Prime Group	WPG	Dec 16	10.02	3.55	-35	28.2%	Hold
Conduent	CNDT	Feb 17	14.96	6.20	-59	0%	Buy (20)
AMC Entertainment Holdings	AMC	Jan 18	14.40	7.34	-29	10.9%	Buy (25)
Brookdale Senior Living	BKD	Sept 18	9.74	7.02	-28	0%	Buy (16)
Adient, plc	ADNT	Oct 18	39.77	21.29	-46	0%	Buy (64)
JELD-WEN	JELD	Nov 18	16.20	23.53	+45	0%	Buy (25)
GameStop Corp.	GME	Apr 19	10.29	5.40	-48	0%	Buy (16)
Trinity Industries	TRN	Sept 19	17.47	22.98	+33	3.0%	Buy (26)
Thor Industries	THO	Nov 19	67.60	74.19	+10	2.2%	Buy (98)

Notes:
1. Based on market capitalization at original Recommendation date.
2. Price target in parenthesis.
3. Total return includes price changes and dividends.
4. Prices and returns are adjusted for stock splits.

SP Given the higher risk, we consider these shares to be speculative.
* Indicates mid-month change in Recommendation rating.

Disclosure:
One or more employees of the Publisher own shares in every *Turnaround Letter* recommended stock.

LARGE CAP[1] (over $1 billion) CURRENT RECOMMENDATIONS

RECOMMENDATION	SYMBOL	REC. ISSUE	PRICE AT REC.	12/26/19 PRICE	TOTAL % RETURN (3,4)	CURRENT YIELD	CURRENT STATUS (2)
General Electric	GE	July 07	38.12	11.23	-47	0.4%	Buy (20)
General Motors	GM	May 11	32.09	36.48	+41	4.2%	Buy (45)
Weyerhaeuser Company	WY	Apr 12	21.89	29.99	+77	4.5%	Buy (40)
BP plc	BP	July 13	41.78	37.98	+28	6.5%	Buy (55)
Freeport-McMoRan	FCX	Aug 13	28.21	13.17	-45	1.5%	Buy (20)
Citigroup	C	May 14	48.16	79.83	+76	2.6%	Buy (85)
Royal Dutch Shell plc	RDS-B	Jan 15	69.95	59.90	+13	6.3%	Buy (85)
Nokia Corporation	NOK	Mar 15	8.02	3.62	-43	0%	Buy (12)
The Mosaic Company	MOS	Sept 15	40.55	21.66	-40	0.9%	Buy (50)
Rolls-Royce Hldgs. Plc	RYCEY	Mar 16	9.25	9.19	+6	1.2%	Buy (14)
Macy's	M	July 16	33.61	16.54	-35	9.1%	Buy (48)
ViacomCBS	VIAC	Jan 17	35.52	42.64	+26	2.3%	Buy (54)
Volkswagen AG	VWAGY	May 17	15.91	19.29	+29	2.9%	Buy (24.50)
Credit Suisse Group AG	CS	June 17	14.48	13.26	0	2.0%	Buy (24)
Toshiba Corporation	TOSYY	Nov 17	14.49	16.99	+18	0.5%	Buy (28)
LafargeHolcim Ltd.	HCMLY	Apr 18	10.92	10.94	+7	3.6%	Buy (16)
Newell Brands	NWL	June 18	24.78	19.09	-17	4.8%	Buy (39)
Vodafone Group plc	VOD	Dec 18	21.24	19.41	-4	5.1%	Buy (32)
Barrick Gold	GOLD	Feb 19	13.05	18.36	+42	1.1%	Buy (20)
Mohawk Industries	MHK	Mar 19	138.60	134.47	-3	0%	Buy (220)
Gilead Sciences	GILD	May 19	64.92	66.39	+5	3.8%	Buy (105)
Kraft Heinz	KHC	Jun 19	28.68	31.63	+14	5.1%	Buy (45)
Molson Coors	TAP	July 19	54.96	53.61	0	4.3%	Buy (82)
Biogen	BIIB	Aug 19	241.51	301.79	+25	0%	Buy (360)

MOST RECENT CLOSED-OUT RECOMMENDATIONS

RECOMMENDATION	SYMBOL	CATEGORY	BUY ISSUE	PRICE AT BUY	SELL ISSUE	PRICE AT SELL	TOTAL RETURN(3,4)
NII Holdings	NIHD	Small	Nov 15	7.00	Aug 19	1.70	-76
Bank of America	BAC	Large	Oct 08	35.00	Aug 19	30.89	-5
Hovnanian Enterprises	HOV	Small	May 18	50.25	*Oct 19	25.29	-50
Ford Motor Company	F	Large	Dec 03	13.00	Nov 19	8.61	+10
McDermott Int'l	MDR	Small	Apr 15	11.19	*Nov 19	1.49	-87
Chesapeake Energy	CHK	Mid	June 15	14.11	*Nov 19	0.91	-94
Xerox Corporation	XRX	Large	Aug 11	38.32	*Nov 19	38.85	+53

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Editor: George Putnam, III. Associate Editor: Bruce Kaser. The subscription rate is $340 per year. Other publications from New Generation Research: **Bankruptcy Week**, a weekly summary of key bankruptcy events and data; **The Bankruptcy Yearbook and Almanac**, an annual compendium of bankruptcy information; **The Distressed Company Alert**, a weekly service identifying troubled companies; and **BankruptcyData**, providing detailed information on current and past bankruptcies. For more information on these publications, call (617) 573-9550.

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