

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

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*In re* : Chapter 11  
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ADVANTA CORP., *et al.*, : Case No. 09-13931 (KJC)  
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Debtors. : (Jointly Administered)  
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-----X **Re: Docket No. 1151**

**DECLARATION OF JOSEPH A. BONDI IN SUPPORT OF CONFIRMATION  
OF THE DEBTORS' JOINT PLAN UNDER CHAPTER 11  
OF THE BANKRUPTCY CODE, DATED NOVEMBER 2, 2010, AS MODIFIED**

I, Joseph A. Bondi, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am a Managing Director with Alvarez & Marsal North America, LLC (together with employees of its affiliates – all of which are wholly-owned by its parent company and employees – its wholly owned subsidiaries, and independent contractors, “*A&M*”), a restructuring advisory services firm with numerous offices throughout the country. I am familiar with the day-to-day operations, business, and financial affairs of Advanta Corp. (“*Advanta*”) and its affiliated debtors in the above-referenced Chapter 11 Cases,<sup>1</sup> as debtors and debtors in possession (collectively, the “*Debtors*”).<sup>2</sup>

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall be given the meanings ascribed to them in the Plan.

<sup>2</sup> The Debtors in these jointly administered Chapter 11 Cases are Advanta, Advanta Investment Corp., Advanta Business Services Holding Corp., Advanta Business Services Corp., Advanta Shared Services Corp. (“*ASSC*”), Advanta Service Corp. (“*ASC*”), Advanta Advertising Inc., Advantennis Corp., Advanta Mortgage Holding Company, Advanta Auto Finance Corporation (“*Advanta Auto Finance*”), Advanta Mortgage Corp. USA (“*AMCUSA*”), Advanta Finance Corp. (“*Advanta Finance*”), Advanta Ventures Inc., BE Corp., ideablob Corp., Advanta Credit Card Receivables Corp. (“*ACCRC*”), Great Expectations International Inc., Great Expectations Franchise Corp., and Great Expectations Management Corp.

2. I have advised the Debtors in these Chapter 11 Cases since November 5, 2009. I, along with other personnel at A&M, have assisted the Debtors with numerous phases of these Chapter 11 Cases. A&M specializes, in areas relevant to these Chapter 11 Cases, in crisis management, performance improvement, financial restructuring, wind-down management, and financial advisory services. I have over 20 years of experience providing interim management and advisory services in connection with turnarounds, financial reorganizations and asset sales, both in and out of court. My management roles have included Chief Executive Officer and Chairman of the Board of PG&E National Energy Group; Chief Executive officer of Integrated Health Services; Senior Vice President of Republic Health Corporation; Chief Restructuring Officer of Iridium; Chairman – Restructuring of MobileMedia; and Senior Vice President – Chief Administrative Officer of Phar-Mor Inc. My advisory assignments have included Arthur Andersen, Aveta, inc., Sirius XM Radio Inc., and Ziff Davis Media. Additionally, I have served on numerous boards of directors.

3. Prior to joining A&M in 1988, I was with Timex Corporation, serving as Vice President for business development in the United States, Asia and Europe, as well as Vice President and Assistant General Counsel. Before joining Timex, I practiced corporate law. I hold a bachelor's degree from Cornell University and a Juris Doctor from Harvard Law School.

4. I submit this declaration (the “**Declaration**”) in support of confirmation of that certain Joint Plan Under Chapter 11 of the Bankruptcy Code, dated November 2, 2010 (as modified December 17, 2010, and as further modified, the “**Plan**”). I was significantly involved in the negotiation and drafting of the Plan and am generally familiar with the terms and provisions of the Plan and the disclosure statement for the Plan, dated November 2, 2010 (as modified December 17, 2010) (the “**Disclosure Statement**”).

5. This Declaration describes the Liquidation Analyses (as defined below) that A&M, along with the Debtors' management, prepared to assist in analyzing creditor and interest holder recoveries under the Plan. I, along with other personnel at A&M whom I directly supervised, assisted in the preparation of the Liquidation Analyses.

6. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my discussions with my colleagues at A&M, members of the Debtors' senior management, the Debtors' other advisors, my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtors' assets. If I were called to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtors.

#### **Liquidation Analyses**

7. To ensure that the Plan meets the requirements of the "best interests of creditors" test under section 1129(a)(7) of the Bankruptcy Code (the "***Best Interests of Creditors Test***"), A&M, along with the Debtors' management, performed liquidation analyses in which they estimated recoveries for holders of Claims and Equity Interests in a chapter 7 liquidation scenario (the "***Liquidation Analyses***") for each of the Consolidated Debtors, ASSC, Advantennis, AMCUSA, Advanta Auto Finance, and Advanta Finance. The results of the relevant Liquidation Analyses and related assumptions are detailed on Exhibit D to the Disclosure Statement.

8. For preparation of the Liquidation Analyses, A&M and the Debtors used the amount of Cash held by the Debtors as of August 31, 2010, the Debtors' forecast of asset recoveries and costs to wind down the Debtors' estates, and the Debtors' records of obligations and filed proofs of Claim. The Liquidation Analyses include "***Higher Recovery***" and "***Lower***

*Recovery*” scenarios, which reflect an estimated range of the amount of Unresolved Claims that could ultimately be allowed by the Bankruptcy Court<sup>3</sup> and an estimated range of recovery values to creditors and equity holders, taking into account potential proceeds from the sale of art, costs to wind down the Estates, and whether additional assets come into the Advanta estate pursuant to the Settlement Agreement.

9. In preparing the Liquidation Analyses, A&M and the Debtors first determined the net recovery proceeds that would be generated from a hypothetical chapter 7 liquidation of all the Debtors’ assets by one or more trustees appointed by the Bankruptcy Court. The gross amount of Cash available from the disposition of all assets and cash held by each Debtor at the commencement of the chapter 7 case was then applied to the wind-down costs incurred from the liquidation. The net proceeds would then be applied to each class of Claims and Equity Interests in order of absolute priority.

10. A&M and the Debtors did not include estimates for additional Claims against the Debtors from the conversion of the Chapter 11 Cases to a chapter 7 liquidation. In addition, A&M and the Debtors did not include in either the hypothetical chapter 7 liquidation or the Plan scenario any estimate for proceeds from recovery of preference payments, fraudulent transfers or other causes of action.

11. In my opinion, the Liquidation Analyses are based on reasonable and sound assumptions, and provide a reasonable estimate of the liquidation values upon conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code. Pursuant to these analyses, A&M and the Debtors determined that confirmation of the Plan will provide all holders

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<sup>3</sup> As noted in Exhibit D to the Disclosure Statement, the estimated range of Unresolved Claims that may ultimately be allowed by the Bankruptcy Court do not constitute an admission of liability by the Debtors for such Claims.

of Claims and Equity Interests a recovery that is equal to or greater than what they would receive pursuant to a hypothetical chapter 7 liquidation of the Debtors.

12. Based on all of the foregoing, I believe that the Best Interests of Creditors Test under section 1129(a)(7) has been satisfied.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: February 8, 2011  
New York, New York

/s/ Joseph A. Bondi  
JOSEPH A. BONDI