

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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<i>In re</i>	:	:	Chapter 11
	:	:	
ADVANTA CORP., <i>et al.</i> , <sup>1</sup>	:	:	Case No. 09-13931 (KJC)
	:	:	
Debtors.	:	:	(Jointly Administered)
	:	:	
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**STATUS REPORT BY THE LIQUIDATING TRUSTEE**

FTI Consulting, Inc., in its capacity as the liquidating trustee (the “Liquidating Trustee”) under the *Debtors’ Joint Plan Under Chapter 11 of the Bankruptcy Code* (as modified, the “Plan”),<sup>2</sup> by and through its counsel, Latham & Watkins LLP and Drinker Biddle & Reath LLP, hereby files this Status Report as per the request of this United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), and respectfully represents as follows:

**RELEVANT BACKGROUND OF THESE CHAPTER 11 CASES**

1. On November 8, 2009, Advanta Corp. and certain other Debtors filed their petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On November 20, 2009, the remaining Debtors filed their chapter 11 cases.
2. On November 2, 2010, the Debtors filed the Disclosure Statement with the Bankruptcy Court, and on December 17, 2010, the Bankruptcy Court entered the Disclosure

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<sup>1</sup> The Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, were Advanta Corp. (2070), Advanta Investment Corp. (5627), Advanta Business Services Holding Corp. (4047), Advanta Business Services Corp. (3786), Advanta Shared Services Corp. (7074), Advanta Service Corp. (5625), Advanta Advertising Inc. (0186), Advantennis Corp. (2355), Advanta Mortgage Holding Company (5221), Advanta Auto Finance Corporation (6077), Advanta Mortgage Corp. USA (2654), Advanta Finance Corp. (8991), Advanta Ventures Inc. (5127), BE Corp. (8960), ideablob Corp. (0726), Advanta Credit Card Receivables Corp. (7955), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

Statement Order approving the Disclosure Statement, as modified. On February 11, 2011, the Bankruptcy Court entered the Confirmation Order confirming the Plan. The effective date occurred on February 28, 2011 (the “Effective Date”), and the Plan (as modified on February 28, 2011) was substantially consummated.

3. In accordance with the Plan, and pursuant to the Liquidating Trust Agreements, seven (7) Liquidating Trusts were established on the Effective Date. The Liquidating Trusts received their respective Liquidating Trust Assets on the Effective Date. Since that time, the Liquidating Trustee has, and continues, to fulfill its obligations in furtherance of and consistent with the purpose of the Liquidating Trusts and the Plan. Among other things, the Liquidating Trustee has held and managed the respective Liquidating Trust Assets, made significant distributions to certain holders of Beneficial Interests in the Liquidating Trusts, reviewed, investigated, reconciled, and objected, as necessary, to Claims, filed tax and regulatory forms, returns, reports, and other financial information required with respect to the Liquidating Trusts, and otherwise taken all action to implement the Plan.

4. On June 6, 2011, December 18, 2012, and December 30, 2013, at the request of the Liquidating Trustee, the Bankruptcy Court entered certain orders and final decrees closing the bankruptcy cases of the following Debtors, respectively:

<b><u>Debtor</u></b>	<b><u>Case Number</u></b>
Advanta Investment Corp.	09-13942 (KJC)
Advanta Business Services Holding Corp.	09-13935 (KJC)
Advanta Auto Finance Corporation	09-13939 (KJC)
Advanta Business Services Corp.	09-13933 (KJC)
Advanta Finance Corp.	09-13944 (KJC)
Advanta Advertising Inc.	09-13943 (KJC)
Advanta Mortgage Corp. USA	09-13937 (KJC)
Advanta Mortgage Holding Company	09-13938 (KJC)
Advanta Services Corp.	09-13932 (KJC)
Advanta Shared Services Corp.	09-13934 (KJC)
Advanta Ventures Inc.	09-14125 (KJC)

Advantennis Corp.	09-13941 (KJC)
BE Corp	09-14130 (KJC)
ideablob Corp.	09-14129 (KJC)
Advanta Credit Card Receivables Corp.	09-14127 (KJC)
Great Expectations International Inc.	09-13945 (KJC)
Great Expectations Franchise Corp.	09-13936 (KJC)
Great Expectations Management Corp.	09-13940 (KJC)

Correspondingly, on December 18, 2012, the Advantennis Liquidating Trust, Advanta Auto Finance Trust, and the Advanta Finance Trust, were each dissolved, respectively. Subsequently, the ASSC Trust and the AMCUSA Trust were both dissolved. Thus, the only remaining open bankruptcy case is Advanta Corp. (Case No. 09-13931-KJC) and the only remaining Liquidating Trusts are the AC Trust and the Advanta Trust (the “Remaining Liquidating Trusts”).

5. On December 21, 2016, the Liquidating Trustee filed its Third<sup>3</sup> Motion to Extend the Term of the AC Trust and the Advanta Trust (Docket No. 1659) (the “Trust Extension Motion”), which sought entry of an order by the Bankruptcy Court extending the terms the Remaining Liquidating Trusts through February 28, 2019. On January 11, 2017, the Court entered an order granting the relief sought in the Trust Extension Motion (Docket No. 1663).

### STATUS REPORT

6. As noted in the Trust Extension Motion, the extension of the Remaining Liquidating Trusts through and including February 28, 2019 was necessary to facilitate their dissolution and provide for a final distribution to creditors in these chapter 11 cases. The Liquidating Trustee anticipated that a twenty-four (24) month extension would be sufficient to accomplish the process, at which time the Liquidating Trustee will move for entry of a final decree

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<sup>3</sup> The Bankruptcy Court had twice previously extended the terms of the Liquidating Trust. On January 30, 2014, the Liquidating Trustee filed its Motion to Extend the Term of Certain Liquidating Trusts (Docket No. 1600). On February 20, 2014, the Court entered an order extending the terms the Liquidating Trusts through August 28, 2015 (Docket No. 1605). On February 13, 2015, the Liquidating Trustee filed its Second Motion to Extend the Term of Certain Liquidating Trusts (Docket No. 1620). On April 10, 2015, the Court entered an order extending the terms the Liquidating Trusts through February 28, 2017 (Docket No. 1628).

closing this last remaining case.

7. The Liquidating Trustee has filed final tax returns and application for tax clearance of Advanta Corp. with the applicable taxing authorities and is still awaiting the final tax clearances from appropriate state and federal authorities. The Liquidating Trustee submitted to the I.R.S. a Request for Expedited Assessment for Advanta Corp. in November 2016, and submitted supplemental materials in July 2018. The Liquidating Trustee is currently awaiting the I.R.S.'s assessment.

8. The Liquidating Trustee has obtained the required clearance from the Pennsylvania Department of Labor, but is still awaiting clearance from the Pennsylvania Department of Revenue.

9. The tax issues in these cases were very complex and involved significant amounts. The Liquidating Trustee believes those factors may be contributing to the significant amount of time needed by the federal and state authorities to issue their respective final assessments and clearances.

10. Once the appropriate state and federal authorities issue their assessments and clearances, the Liquidating Trustee will be able to distribute the remaining cash reserves from the Remaining Liquidating Trusts, complete the wind-down<sup>4</sup> of Advanta Corp., any of its subsidiaries, and the Remaining Liquidating Trusts, make a final distribution to creditors in these chapter 11 cases, and file a motion seeking a final decree in this last remaining case. The Liquidating Trustee remains hopeful that the tasks described above can occur before February 28, 2019.

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<sup>4</sup> Final wind-down activities include closing bank accounts, destruction of any remaining documents, and other ministerial tasks.

Dated: August 21, 2018  
Wilmington, Delaware

**DRINKER BIDDLE & REATH LLP**

By: /s/ Joseph N. Argentina, Jr.

Joseph N. Argentina, Jr., (DE 5453)  
222 Delaware Avenue, Ste. 1410  
Wilmington, DE 19801  
Telephone: (302) 467-4200  
Facsimile: (302) 467-4201

- and -

Robert K. Malone (pro hac vice)  
Marita S. Erbeck (pro hac vice)  
600 Campus Drive  
Florham Park, NJ 07932-1047  
Telephone: (973) 549-7000

- and -

**LATHAM & WATKINS LLP**  
Roger G. Schwartz (pro hac vice)  
885 Third Avenue  
New York, NY 10022-4834  
Telephone: (212) 906-1200

Counsel to FTI Consulting, Inc., solely in its capacity  
as Liquidating Trustee