

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

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In re: : Chapter 11
: :
ADVANTA CORP., *et al.*,¹ : Case No. 09-13931 (KJC)
: :
Debtors. : (Jointly Administered)
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Re: Docket Nos. 346 & 383

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
REGARDING THE DEBTORS’ MOTION AND ORDER TO AUTHORIZE AND
IMPLEMENT POSTPETITION SEVERANCE PLAN AND OTHER RELATED RELIEF**

The Official Committee of Unsecured Creditors appointed in the chapter 11 cases of Advanta Corporation (“Advanta”), *et al.* (collectively, the “Debtors”), with respect the Debtors’ *Motion and Order to Authorize and Implement Postpetition Severance Plan and Other Related Relief* (the “Motion”) [D.I. 346], by and through its undersigned counsel, hereby respectfully states as follows:²

BACKGROUND

1. On November 8, 2009, (and November 20, 2009, with respect to certain of the Debtors), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), which are being jointly administered under Case No. 09-13931 (KJC) (the “Bankruptcy Cases”).

¹ The Debtors in these cases, along with the last four digits of each Debtors’ federal tax identification number, are 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328), Advanta Ventures Inc. (5127), BizEquity Corp. (8960), Ideablob Corp. (0726), and Advanta Credit Card Receivables Corp. (7955).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

2. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue to manage and operate their businesses as debtors-in-possession.

3. The Official Committee of Unsecured Creditors (the "Committee") was appointed on November 24, 2009.

4. On March 19, 2010, the Debtors filed the Motion, seeking entry of an order authorizing the implementation of the Postpetition Severance Plan.

5. Thereafter, on April 5, 2010, the United States Trustee ("U.S. Trustee") filed its *Objection to the Debtors' Motion for Authority to Implement Postpetition Severance Plan and Other Related Relief*. (D.I. No. 383.) It is the Committee's understanding that following the filing of the U.S. Trustee's Objection, the Debtors have engaged in discussions with the U.S. Trustee concerning the nature and substance of her objections to the Motion and have worked to provide further background information to the U.S. Trustee as to the Postpetition Severance Plan in an effort to resolve the objections.

STATEMENT REGARDING THE DEBTORS' MOTION AND ORDER

6. In the weeks and months leading up to the filing of the Motion and the May omnibus hearing, the Debtors consulted the Committee and provided the Committee with information pertaining to the Motion regarding the Postpetition Severance Plan and the Incentive Bonus. Prior to the filing of the Motion, the Committee conducted due diligence on the Postpetition Severance Plan and the Incentive Bonus and assessed the relief sought in the Motion based upon the information provided by the Debtors. Based on such information, the Committee determined that the Postpetition Severance Plan, the ratification of the Interim Severance Payments and the related relief sought in the Motion are appropriate under the circumstances of these Bankruptcy Cases. Moreover, the Debtors made modifications to the Incentive Bonus

following input from the Committee after which the Committee concluded that the Incentive Bonus was appropriate for the circumstances of these Bankruptcy Cases..

CONCLUSION

WHEREFORE, the Committee respectfully submits this statement regarding the Debtors' Motion and Order to Authorize and Implement Postpetition Severance Plan and Other Related Relief.

Dated: May 5, 2010
Wilmington, Delaware

DRINKER BIDDLE & REATH LLP

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CERTIFICATE OF SERVICE

I, Howard A. Cohen, hereby certify that on the 5th day of May 2010, I caused a true and correct copy of the *Statement of the Official Committee of Unsecured Creditors Regarding the Debtor' Motion and Order to Authorize and Implement Postpetition Severance Plan and Other Related Relief* to be served on all parties by operation of the Case Management/Electronic Case Filing System for the United States Bankruptcy Court for the District of Delaware.

Dated: May 5, 2010

DRINKER BIDDLE & REATH LLP

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