

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
: Chapter 11
In re :
: Case No. 09-13931 (KJC)
ADVANTA CORP., *et al.*, :
: (Jointly Administered)
Debtors.¹ :
: **Hearing Date: August 12, 2010 at 11 a.m. (EDT)**
: **Objection Deadline: August 5, 2010 at 4:00 p.m. (EDT)**
-----X

**APPLICATION FOR AUTHORIZATION
TO EMPLOY AND RETAIN CHRISTIE'S INC. AND
MOTION TO APPROVE SALE OF ARTWORK**

Advanta Shared Services Corp. (“ASSC”), as debtor and debtor in possession in the above-referenced chapter 11 cases, respectfully represents:

¹The debtors in these jointly administered chapter 11 cases (the “**Debtors**”), along with the last four digits of each Debtor’s 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), 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). Information regarding the Debtors’ businesses and the background relating to events leading up to these chapter 11 cases can be found in (i) the Declaration of William A. Rosoff in Support of the Debtors’ Chapter 11 Petitions and First-Day Motions, filed on November 8, 2009, (the “**Rosoff Declaration**”), the date the majority of Debtors filed their petitions (the “**Commencement Date**”) under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), and (ii) that certain supplement thereto, filed on November 20, 2009, the date Advanta Ventures Inc., BE Corp., ideablob Corp. and Advanta Credit Card Receivables Corp. filed their chapter 11 cases (the “**Second Commencement Date**”, and together with the Commencement Date, the “**Commencement Dates**”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Further, in accordance with an order of this Court, the Debtors’ cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

Relief Requested

1. By this application (the “*Application*”), ASSC requests, pursuant to sections 327 and 328 of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016 and Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”) 2014-1 and 2016-2, entry of an order for authorization to employ and retain Christie’s Inc. (hereafter referred to as “*Christie’s*”), nunc pro tunc to July 22, 2010, the date of Christie’s engagement, in accordance with the terms and conditions of an agreement between Christie’s and ASSC, dated July 22, 2010, a copy of which is attached hereto as *Exhibit A* (the “*Agreement*”); and further seeks authority, pursuant to section 363 of the Bankruptcy Code, to sell approximately 56 post-war and contemporary paintings, prints and sculptures by European and American artists in ASSC’s corporate art collection (the “*Property*”) through Christie’s, free and clear of all liens, claims and encumbrances.

2. Pursuant to the proposed engagement, Christie’s will assist ASSC with respect to the disposition of the Property through its public auction house.

Retention of Christie’s

3. ASSC has determined that it requires the services of an experienced public auction house to assist with the sale of the Property, in a manner that will substantially enhance its attempts to maximize the value of the Property. ASSC selected Christie’s as the most suitable auction house through which to sell the Property following a bidding and selection process described further herein. Christie’s is one of the world’s leading public auction houses, and is a recognized expert in the market for the specific period and type of art that ASSC intends to sell through Christie’s, and is therefore well qualified to provide such services.

4. ASSC submits that the retention of Christie's on the terms and conditions set forth herein and on *Exhibit A* is necessary and appropriate and is in the best interests of ASSC, its estate, and its creditors.

Scope of Services and Terms of Retention

5. Subject to approval by the Court, ASSC proposes to employ and retain Christie's to serve as ASSC's public auction house and provide the following services (the "*Services*") on the terms and conditions set forth in the Agreement, as follows:

(a) Sale of the Property: The Property will be offered for sale by Christie's at its auction house through either public or private sales (the "*Sales*"). The Property will first be marketed for sale through a public auction. In the event that a bidder at auction defaults on payment for a lot of Property (a "*Lot*"), or a Lot does not meet its Reserve (as defined below) and is not sold, Christie's, may, for a period of 30-days following the public auction, sell the lot by private sale for a price that will result in payment to ASSC of an amount at least equal to the amount that ASSC would have received if the lot had been sold for its mutually agreed reserve price (the confidential minimum price below which such Lot will not be sold, the "*Reserve*").^{2]}

(b) Marketing of Property: Christie's has agreed to provide specific marketing services to support the Sale of the Property, as set forth in the Appendix to the Agreement.

The other material terms of the Agreement are as follows:

(a) Commitment Fee: Christie's will pay ASSC a commitment fee of \$250,000 (the "*Commitment Fee*") as consideration for ASSC agreeing to consign the Property to Christie's, within three business days after the execution of the Agreement and its approval by the Court.

(b) Compensation: Christie's will receive and retain a commission from proceeds of the Sales (the "*Commission*") and premiums from each buyer (the "*Premium*," and together with the Commission, the "*Compensation*") in accordance with the following structure:

² The description of the terms of the Agreement in this Application is for summary purposes only and in the event of any conflict between this description and the Agreement, the Agreement shall control.

Commission:

- i. 0% of the final bid price on each Lot sold, if the aggregate final bid price on all Lots sold (each, a “***Final Bid***” and together, the “***Final Bids***”) is less than the low pre-sale estimate for the Lot (the “***Low Estimate***”);
- ii. \$25,000, if the Final Bids are equal to the Low Estimate;
- iii. \$50,000, if the Final Bids equal at least \$6,500,000;
- iv. \$75,000, if the Final Bids equal at least \$7,200,000;
- v. \$100,000, if the Final Bids equal at least \$7,300,000; and
- vi. \$150,000, if the Final Bids equal at least \$7,500,000.

Premium on each Lot sold:

For Sales in New York

- i. 25% of the Final Bid up to and including \$50,000; plus
- ii. 20% of the Final Bid above \$50,000 and up to and including \$1,000,000; plus
- iii. 12% of the Final Bid above \$1,000,000.

For Sales in London

- i. 25% of the Final Bid up to and including £25,000, plus
- ii. 20% of the Final Bid above £25,000 and up to and including £500,000, plus
- iii. 12% of the Final Bid above £500,000.

Notwithstanding the foregoing, Christie’s may modify the Premiums provided that the Debtors file a notice of the modified Premiums with the Court.³ In addition, the Commission and associated threshold levels shall be reduced by any percentage reduction of the Commitment Fee that occurs under the Agreement. For each Lot offered but not sold, Christie’s shall receive no Compensation, and shall return such Lot to ASSC at Christie’s expense. As further described herein, the Agreement provides for certain circumstances in which Christie’s will be reimbursed for its out-of-pocket expenses.

(c) No Transfer of Ownership: During the period of consignment of the Property to Christie’s, the Property will remain the property of ASSC and ASSC shall retain full and clear title to each item of Property until ASSC receives payment in full for such Property.

(d) Withdrawal:

- i. Withdrawal by ASSC: ASSC may not withdraw the Property from Sale without Christie’s consent after the entry of any order of the

³ The Premiums are published in Christie’s catalogues and are typically the same for all auctions.

Court approving this Application (the “**Retention Order**”), provided that (I) ASSC may withdraw one or more Lots from sale at a specific auction without Christie’s consent, and before any Retention Order becomes final and non-appealable, so long as the purpose of each such withdrawal is so that the Lot may be sold at another auction within 12 months of the withdrawal; (II) ASSC may withdraw Property scheduled for an auction if the date of such auction is changed without ASSC’s prior consent; and (III) ASSC may withdraw Property scheduled for an auction without Christie’s consent and without penalty if Christie’s breaches any material provision of the Agreement and fails promptly to cure such breach after receiving notice thereof from ASSC. If, after any Retention Order becomes final and non-appealable, Christie’s consents to a withdrawal of a Lot, such Lot may be withdrawn upon payment of 20% of the Reserve for each such Lot or 20% of the mean of the pre sale estimates for all such withdrawn Lots if the Reserve has not yet been set, plus all reasonable out of pocket expenses incurred by Christie’s.

- ii. Withdrawal by Christie’s: Christie’s reserves the right to withdraw any Lot at any time before Sale if (I) in Christie’s sole judgment, there is doubt as to its attribution or authenticity; (II) Christie’s provides to ASSC justification for Christie’s belief that there is a reasonable basis to doubt the accuracy of any of ASSC’s representations in the Agreement; (III) ASSC has breached any provision of the Agreement and fails promptly to cure such breach after receiving notice thereof from Christie’s; or (IV) in Christie’s sole judgment, proceeding with a Sale will cause Christie’s or ASSC liability or reputational harm. In the event of a withdrawal pursuant to clauses (I) and (IV) above, there shall be no charge to ASSC other than the payment by ASSC to Christie’s of its out-of-pocket expenses, and (if the Property withdrawn under this Agreement has an aggregate low estimate of \$50,000 or more), ASSC shall refund to Christie’s a pro rata portion of the Commitment Fee. In the event of a withdrawal pursuant to clauses (II) or (III) above, ASSC shall be liable for the withdrawal charges and other reasonable expenses of Christie’s, and if the Property withdrawn under this Agreement has an aggregate low estimate of \$50,000 or more, ASSC shall refund to Christie’s a pro rata portion of the Commitment Fee.
- iii. Withdrawal by mutual agreement. ASSC and Christie’s may agree to withdraw, without penalty, one or more lots of Property from sale at a specific auction and sell such lots at an auction at a later date.

(e) Indemnity: ASSC agrees to defend, indemnify and hold harmless Christie’s from and against any and all losses, damages, liabilities and claims, and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable attorneys’

fees), arising out of, based upon or resulting from (i) any act by or omission of Seller or its agents (other than Christie's) or representatives relating to or affecting the Property; or (ii) any inaccuracy, asserted by Christie's or any third party in a court action, of any representation or warranty made by ASSC in the Agreement.

Christie's Disinterestedness

6. To the best of ASSC's knowledge, information, and belief, other than as set forth in the Declaration of Cathy Elkies (the "***Declaration***"), annexed hereto as ***Exhibit B***, Christie's (i) has no connection with ASSC or the Debtors, their creditors, other parties in interest, or the attorneys or accountants of any of the foregoing, or the United States Trustee or any person employed in the Office of the United States Trustee; (ii) does not hold any interest adverse to ASSC or the Debtors' estates; and (iii) believes it is a "disinterested person" as defined by section 101(14) of the Bankruptcy Code.

7. Accordingly, ASSC believes that Christie's is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code.

8. In addition, as set forth in the Declaration, if any new material facts or relationships are discovered or arise, Christie's will provide the Court with a supplemental declaration.

Compensation

(a) As set forth in the Agreement and as described further herein, Christie's Compensation consists of a tiered-Commissions and Premiums, payable by ASSC from the proceeds of sale of such Property, and by any buyer of the Property, as part of its overall purchase price of the Property. Further, the Agreement provides that no item of Property will be sold at less than the Reserve for that item (unless ASSC receives the same amount, net of Compensation, that it would otherwise have received if the Lot was sold at the Reserve price). Based on a selection process carried out by the professional restructuring advisers of the Debtors,

Alvarez & Marsal, and ASSC's Court-approved art consultant, Vara Global Fine Arts LLC, which involved reviewing bids from three top auction houses (including Sotheby's and Christie's, both of which are recognized as the world's leading auction houses) and one art dealer, and subsequent negotiations with each bidder to improve the terms of each bid, ASSC determined that Christie's bid was the most advantageous to its estate, as it comprised the best overall marketing strategy, the most potential for high sale prices, and the most lucrative economic structure.

9. ASSC submits that, in light of this compensation structure, and in accordance with Bankruptcy Rule 2016, it is appropriate for the Debtors to file on behalf of Christie's one final fee statement with the Court summarizing the total compensation paid to Christie's pursuant to the Agreement, within 70 calendar days of the last Sale having been completed under the Agreement. Further, given that the compensation structure provided for in the Agreement does not provide for hourly fees, ASSC submits that a waiver of Local Rule 2016-2 is appropriate, that Christie's should not be required to maintain detailed time entries, and that the final fee statement need only set forth the amounts paid to Christie's in accordance with the Agreement.

**Retention of Christie's
Should Be Authorized**

10. The Debtors submit that the retention of Christie's under the terms described herein is appropriate under sections 327(a), 328, and 1107(b) of the Bankruptcy Code. Section 327(a) of the Bankruptcy Code empowers the trustee, with the Court's approval, to employ professionals "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under

this title.” 11 U.S.C. § 327(a). Section 101(14) of the Bankruptcy Code defines a “disinterested person” as a person that:

- (a) is not a creditor, an equity security holder, or an insider;
- (b) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and
- (c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

11 U.S.C. § 101(14).

11. Further, section 1107(b) of the Bankruptcy Code provides that “a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person’s employment by or representation of the debtor before the commencement of the case.” 11 U.S.C. § 1107(b).

12. Section 328(a) of the Bankruptcy Code authorizes the employment of a professional person “on any reasonable terms and conditions of employment, including on a retainer . . .” 11 U.S.C. § 328(a). ASSC submits that the terms and conditions of Christie’s retention as described herein, including the proposed compensation terms, are reasonable and in keeping with the terms and conditions typical for engagements of this size and character. Since ASSC will require substantial assistance with sale of the Property, it is reasonable of ASSC to seek to employ and retain Christie’s to provide the Services on the terms and conditions set forth herein. As noted above, ASSC believes that Christie’s will use its expertise to assist it in the disposition of the Property. ASSC requires Christie’s expertise as a world renowned public auction house to ensure that it is able to maximize the value of Property being sold on its behalf.

Further, value realized in such transactions will inure to the benefit of ASSC's estate, which will more than offset any expenses incurred through Christie's retention. Thus, the decision to employ Christie's to provide the Services is a sound exercise of ASSC's business judgment.

**Good Business Reasons Support
ASSC's Decision to Sell the Property**

13. By this Application, ASSC seeks authority and approval of the Sales of the Property through Christie's pursuant to the terms set forth in the Agreement, without the need to seek any further Court approval. Section 363(b)(1) provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." The use, sale, or lease of property of the estate, other than in the ordinary course of business, is authorized when there is a good business reason that justifies such action. See, e.g., *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (stating that a court will "defer to the trustee's judgment so long as there is a legitimate business justification" (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991))); *In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143 (3d Cir. 1986) (implicitly adopting the "sound business judgment" test of *Lionel Corp.* and requiring good faith); *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983) ("The rule we adopt requires that a judge determining a § 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application."); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 178 (D. Del. 1991) (concluding that the Third Circuit adopted the "sound business judgment" test in the Abbotts Dairies decision and affirming decision permitting debtor to sell assets where sound business reasons supported the sale); *In re Allegheny Int'l*, 117 B.R. 171 (W.D. Pa. 1990) (affirming bankruptcy court order allowing debtor to enter into financing arrangement because debtor provided good business reason for use of estate property pursuant to section 363(b)).

14. ASSC's decision to sell the Property is an exercise of sound business judgment. The Property provides no current income to ASSC's estate. Sale of the Property will allow ASSC to immediately realize additional funds for its estate, thereby increasing the pool of assets available for creditor distribution during these chapter 11 cases. Second, ASSC believes that the sale of the Property through Christie's will yield the highest and best offer ASSC could receive for the Property. Finally, ASSC no longer needs the Property, given its current chapter 11 strategy. Accordingly, ASSC has determined in its sound business judgment that a sale of the Property on the terms proposed in this Application is in the best interests of ASSC, its estate, and its creditors.

**If the Property is Not Sold By
Public Auction, Christie's Should Be Authorized to
Sell Such Property Through Christie's by Private Sale**

15. In accordance with Bankruptcy Rule 6004(f)(1), asset sales outside of the ordinary course of business may be by private or public sale. Fed. R. Bankr. P. 6004(f)(1). A debtor has broad discretion in determining the manner in which its assets are sold. *Berg v. Scanlon (In re Alisa P'ship)*, 15 B.R. 802, 802 (Bankr. D. Del. 1981) (“[T]he manner of [a] sale is within the discretion of the trustee . . .”); *In re Bakalis*, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) (noting that a trustee has “ample discretion to administer the estate, including authority to conduct public or private sales of estate property”) (internal quotations and citations omitted). As long as a debtor maximizes the return to its estate, a court should defer to a debtor's business judgment. *In re Bakalis*, 220 B.R. at 532 (recognizing that although a trustee's business judgment enjoys great judicial deference, a duty is imposed on the trustee to maximize the value obtained from a sale); *In re Nepsco, Inc.*, 36 B.R. 25, 26 (Bankr. D. Me. 1983) (“Clearly, the thrust of th[e] statutory scheme [governing 363 sales] is to provide maximum flexibility to the trustee, subject to the oversight of those for whose benefit he acts, i.e., the creditors of the

estate.”). Accordingly, if a debtor concludes that conducting a private sale, as opposed to a public auction, is in the best interest of the estate, the debtor should be permitted to do so. *Penn Mut. Life Ins. Co. v. Woodscape Ltd. P’ship (In re Woodscape Ltd. P’ship)*, 134 B.R. 165, 174 (Bankr. D. Md. 1991) (noting that, with respect to sales of estate property, “[t]here is no prohibition against a private sale . . . and there is no requirement that the sale be by public auction.”).

16. The Agreement provides that, should a Lot fail to meet its Reserve following its public auction by Christie’s and not be sold, or is not paid for by the winning bidder at the public auction, such Lot may be sold by private sale by Christie’s (Agreement ¶ 14). The Agreement provides that, in the event such a private sale takes place, ASSC must receive a payment of an amount at least equal to the amount that it would have received if the Lot had been sold at the Reserve, unless otherwise agreed by ASSC (upon notice to the statutory committee of unsecured creditors (the “*Committee*”) as promptly as possible) and Christie’s. Given the expertise of Christie’s in disposing of artwork, and the safeguards in the Agreement described above to ensure that the value of such Lot is maximized, ASSC believes that a private sale of a Lot, in the event of a return of such Lot following a public auction, is appropriate, and that, should such a return take place, ASSC should not be required to wait for a subsequent public auction to sell the Lot if a private sale as described above is available.

17. In light of the foregoing, ASSC respectfully requests that, pursuant to section 363(b) of the Bankruptcy Code, the Court authorize the sale of the Property as provided for herein.

**Sale of the Property Free and Clear
of Liens, Claims, and Encumbrances is Appropriate**

18. ASSC further submits that it is appropriate that the Property be sold free and clear of liens, claims, and encumbrances pursuant to section 363(f) of the Bankruptcy Code, with any such liens, claims, encumbrances, or interests to attach to the sale proceeds thereof.

Section 363(f) of the Bankruptcy Code provides:

19. The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Because section 363(f) is stated in the disjunctive, when selling property of the estate it is only necessary to meet one of the five conditions of that section. *See In re Kellstrom Indus. Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“Section 363(f) is written in the disjunctive, not the conjunctive. Therefore, if any of the five conditions is met, the debtor has the authority to conduct the sale free and clear of all liens.” (citing *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988))).

20. As of the date hereof, ASSC is not aware of any liens or interests held by any party in respect of ASSC’s rights to the Property. ASSC submits that the Court should authorize the sale of the Property free and clear of any and all liens, claims and encumbrances, with any of the same to be transferred and attached to the net proceeds of the sale, with the same validity and priority that such liens, claims, and encumbrances had against the rights to the

Property. Thus, the sale of the Property free and clear of liens, claims and encumbrances will satisfy the statutory prerequisites of section 363(f) of the Bankruptcy Code.

21. In light of the foregoing, ASSC respectfully requests that, pursuant to section 363 of the Bankruptcy Code, the Court authorize ASSC to sell the Property through Christie's free and clear of liens, claims, and encumbrances.

Relief Under Bankruptcy Rule 6004(h)

22. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." In order to consummate the Sale(s) of the Property in a timely manner, ASSC requests that the order approving this Application be effective immediately by providing that the 14-day stay is waived.

23. Based upon the foregoing, ASSC submits that the relief requested herein is essential, appropriate, and in the best interest of ASSC's estate and creditors, and therefore, should be granted.

Jurisdiction

24. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Notice

25. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the Committee; (iii) Bank of New York Mellon as trustee under the Investment Note Indenture (as defined in the Rosoff Declaration); (iv) Law Debenture Trust Company of New York as successor trustee under the 8.99% Indenture (as defined in the

Rosoff Declaration); (v) Christie's; and (vi) those parties who have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "*Notice Parties*"). ASSC respectfully submits that no further notice of this Motion is required.

No Previous Request

26. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, ASSC respectfully requests that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: July 22, 2010
Wilmington, Delaware

/s/ Zachary I. Shapiro
Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Chun I. Jang (No. 4790)
Zachary I. Shapiro (No. 5103)
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- and -

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ATTORNEYS FOR
DEBTORS AND DEBTORS IN
POSSESSION

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

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: Chapter 11
In re :
: Case No. 09-13931 (KJC)
ADVANTA CORP., *et al.*, :
: (Jointly Administered)
Debtors.¹ :
: **Hearing: August 12, 2010 at 11:00 a.m. (EDT)**
-----X **Obj. Deadline: August 5, 2010 at 4:00 p.m. (EDT)**

NOTICE OF APPLICATION AND HEARING

PLEASE TAKE NOTICE that, on July 22, 2010, Advanta Corp. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “*Debtors*”) filed the **Application for Authorization to Employ and Retain Christie’s Inc. and Motion to Approve Sale of Artwork** (the “*Application*”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “*Bankruptcy Court*”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Application must be in writing, filed with the Clerk of the Bankruptcy Court and served upon and received by the undersigned counsel for the Debtors on or before **August 5, 2010 at 4:00 p.m. (Eastern Daylight Time)**.

PLEASE TAKE FURTHER NOTICE that if an objection is timely filed, served and received and such objection is not otherwise timely resolved, a hearing to consider such

¹ The Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtor’s 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), 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).

objection and the Application will be held before The Honorable Kevin J. Carey at the Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801 on **August 12, 2010 at 11:00 a.m. (Eastern Daylight Time)**.

IF NO OBJECTIONS TO THE APPLICATION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 22, 2010
Wilmington, Delaware

/s/ Zachary I. Shapiro
Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Chun I. Jang (No. 4790)
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- and -

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

AGREEMENT



CHRISTIE'S

DATE: JULY 22, 2010

CONSIGNMENT AGREEMENT BETWEEN

NAME:	ADVANTA SHARED SERVICES CORP. ("SELLER")	CHRISTIE'S INC. ("CHRISTIE'S-NEW YORK") 20 ROCKEFELLER PLAZA NEW YORK, NY 10020 (212) 636-6000
ADDRESS:	C/O JAY A DUBOW PLYMOUTH CORPORATE CENTER, 625 W. RIDGE PIKE, BUILDING E, SUITE 100, CONSHOHOCKEN, PENNSYLVANIA 19428	CHRISTIE, MANSON & WOODS, LTD. ("CHRISTIE'S-LONDON") 8 KING STREET, ST. JAMES'S LONDON, SW1Y 6QT (20) 7839-9060
TELEPHONE:	(215) 444-5927	(collectively, "CHRISTIE'S")
CLIENT NO.:	2253750	
STOCK NO.:		

Thank you for consigning your property to Christie's.
The terms and conditions of the consignment are as follows:

1. CONSIGNMENT: Seller hereby consigns to Christie's the property identified in a schedule (the "Schedule") that will be agreed upon by both Christie's and Seller prior to the consignment of any such property hereunder (the "Property"), which Christie's, as Seller's exclusive agent, will offer for sale at public auction, unless otherwise agreed, subject to the provisions set forth below and to Christie's standard Conditions of Sale in effect at the time and venue of the auction. In the event of a conflict between the Conditions of Sale on the one hand, and this Agreement, on the other hand, the terms of this Agreement shall control. In consideration for agreeing to consign the Property to Christie's, Christie's will pay to Seller a commitment fee of \$250,000 (the "Commitment Fee") within three (3) business days after the date that this Agreement is fully executed by both parties hereto and approved by the United States Bankruptcy Court for the State of Delaware (the "Bankruptcy Court"), which is presiding over the chapter 11 cases of the Seller and certain of its debtor affiliates (collectively, the "Debtors") (Case No. 09-13931). During the term of the consignment hereunder, the Property will remain the property of Seller and Seller shall retain full and clear title to each item of Property until Seller receives payment in full for such Property.

2. COMMISSION: For its services, Christie's will receive and retain (i) from the proceeds of the sale of the Property as a commission from Seller (the "Commission"), an amount equal to: (a) 0% of the final bid price on each lot sold, if the aggregate final bid price on all lots sold is less than the aggregate pre-sale low estimate (as set forth on the Schedule) of all the Property, (b) \$25,000 if the aggregate final bid price on all lots sold is equal to the aggregate pre-sale low estimate (as set forth on the Schedule) of all the Property, (c) \$50,000 if the aggregate final bid price on all lots sold is at least equal to \$6.5 million, (d) \$75,000 if the aggregate final bid price on all lots sold is at least equal to \$7.2 million, (e) \$100,000 if the aggregate final bid price on all lots sold is at least equal to \$7.3 million, or (f) \$150,000 if the aggregate final bid price on all lots sold is at least equal to \$7.5 million; and (ii) a premium (a "Premium" and together with the Commission, the "Compensation") to be collected by Christie's from each buyer in an amount equal to (I) (x) 25% of the final bid price up to and including \$50,000, plus (y) 20% of the final bid price above \$50,000 and up to and including \$1,000,000, plus (z) 12% of the final bid price above \$1,000,000 for each Property sold at Christie's-New York, and (II) (xx) 25% of the final bid price up to and including £25,000, plus (yy) 20% of the final bid price above £25,000 and up to and including £500,000, plus (zz) 12% of the final bid price above £500,000 for each Property sold at Christie's-London, or such other amount as shall be published by Christie's from time to time (the "Modified Premium"); *provided, however*, that if Christie's publishes a Modified Premium, Christie's shall inform Seller and their counsel of the Modified Premium and shall work with the Debtors to file a notice of the Modified Premium with the Bankruptcy Court. Notwithstanding the foregoing, the amounts and thresholds set forth in clause (i) above shall be reduced by any percentage reduction of the Commitment Fee that occurs under this Agreement.

3. INSURANCE: (a) With respect to each lot of Property to be offered for sale at Christie's-New York (the "New York Property"), such New York Property will be insured at Christie's-New York's expense under and subject to the terms of Christie's-New York's insurance policy, as shall be in effect from time to time, from the time of receipt by the shippers for delivery to Christie's-New York until it ceases to be in Christie's-New York's custody for an amount equal to (i) the high of the pre-sale estimates prior to sale, (ii) the amount of the final bid price if sold or (iii) the amount of the reserve if unsold. Christie's-New York's liability to Seller resulting from loss of or damage to any New York Property shall not exceed the above-mentioned insurance coverage of such Property.

(b) With respect to each lot of Property to be offered for sale at Christie's-London (the "UK Property"):

(i) Christie's-London will automatically accept liability for physical loss of, or damage to, the UK Property, including for transportation, on and subject to the conditions that are attached hereto as Appendix C, which terms and conditions are deemed to be incorporated in full into this document. Christie's-London's liability is also limited to (A) the high of the pre-sale estimates prior to sale, (B) the amount of the final bid price if sold or (C) the amount of the reserve if unsold. The amount referred to in the preceding sentence is solely for the purposes of Christie's-London's liability, and is not an undertaking by Christie's-London that the UK Property will be sold for this amount.

(ii) Christie's-London's liability with respect to the UK Property shall commence from the time the UK Property is received by the shippers for delivery to Christie's-London and shall cease on collection of the lot of UK Property by the buyer or return to Seller, if unsold.

4. PACKING, SHIPPING AND CUSTOMS DUTIES: Christie's agrees to pay all costs and expenses of packing and shipping the Property to Christie's premises and to Seller, if any Property is returned to Seller. Christie's also agrees to pay all applicable customs duties and customs user fees on the Property.

5. ILLUSTRATION: Christie's agrees to pay all costs and expenses relating to catalogue illustrations of the Property.

6. OTHER CHARGES: Christie's agrees to pay all costs and expenses of (i) restoration or conservation procedures and framing, and, subject to paragraph 3 hereof, any damage due to shipping or art handling from art handlers or movers under the care of Christie's, (ii) such tests or procedures that Christie's in our sole judgment deems necessary or desirable to verify the authenticity, attribution or quality of any Property, (iii) special advertising and promotional efforts relating to the sale of the Property and (iv) such other additional costs and expenses not set forth in paragraphs 3 through 6 hereof as Christie's shall deem necessary or desirable.

7. DISCRETIONARY MATTERS: The Property will be offered for sale at the Christie's New York auctions set forth on the Schedule, which are currently scheduled for the dates set forth on the Schedule. Christie's shall have complete discretion as to (i) the illustration and the description of the Property in our catalogues and other literature, (ii) seeking the views of any expert either before or after the auction, (iii) consulting any third party regarding the provenance of the Property, either before or after the sale, and (iv) the lot order of the Property within the auction. Notwithstanding the foregoing, Christie's shall perform the marketing activities set forth on the Appendix A attached to this Agreement with respect to the New York Property and Appendix B attached to this Agreement with respect to the UK Property described therein. The movement of the Property off of Christie's premises for marketing purposes shall be subject to Seller's prior consent. Christie's shall not be liable for any errors or omissions in catalogue or other descriptions of the Property. Christie's shall retain the exclusive copyright to all catalogue and other illustrations and descriptions of the Property created by Christie's. Christie's makes no representations or warranties to Seller with respect to the Property, its authenticity, attribution, condition or otherwise.

8. RESERVE AND ESTIMATES: Each lot of Property will be sold subject to a mutually agreed reserve (the confidential minimum price below which such Property will not be sold) which shall not exceed the low pre-sale estimate therefor. Any reserve set in an amount other than a bidding increment (as described in Christie's standard Conditions of Sale in effect at the time and venue of the auction) will be rounded down to the next bidding increment. However, Christie's may sell any lot below the reserve if Seller receives the net amount which Seller would have received had such lot been sold at the reserve. Unless the reserve is mutually agreed upon and confirmed by Seller in writing before the sale, the reserve will be determined by Christie's in our absolute discretion; provided, however, that the parties hereto agree to discuss any determination of the reserve in good faith. The reserve and any printed pre-sale estimates shall not include the buyer's premium referred to in paragraph 2 above or taxes. As Seller's agent, Christie's shall act to protect the reserve by bidding through the auctioneer.

Any written or oral appraisal, estimate or other statement of Christie's or our representatives with respect to the estimated or expected selling price of any item of Property is a statement of opinion only

and shall not be relied upon by Seller or any third party as a prediction or guarantee of the actual selling price. In no event shall Christie's be liable for the failure of any Property to be sold at such estimated or expected price or to reach the reserve.

Estimates for the Property shall be as set forth in the Schedule. Changes to the estimates disclosed in the Schedule for the Property shall be mutually agreed upon by Christie's and Seller.

9. NO BIDDING BY SELLER: Under no circumstances shall Seller (as agent or principal), its representatives, employees (solely in their capacity as employees of the Seller and solely where such employees would receive any portion of the proceeds from the sale of the Property, and not in their individual capacity) or agents, if any (other than Christie's acting as Seller's agent in accordance with paragraph 8 hereof), enter or cause to be entered a bid on any Property being offered for sale.

10. WITHDRAWAL: No Property may be withdrawn from sale after the entry of the Approval Order (as defined below) without Christie's consent; provided that (a) before the Approval Order becomes final and non-appealable, Seller, without penalty, may withdraw one or more lots of Property from sale at a specific auction without Christie's consent, so long as the purpose of each such withdrawal is so that the lot(s) of Property may be sold within twelve (12) months at a later auction date, and such withdrawal takes place prior to the catalogue deadline for the sale in which such Property is scheduled, (b) Seller, without penalty, may withdraw Property scheduled for an auction if the date of that auction (as set forth on the Schedule) is changed without Seller's prior consent, and (c) if Christie's breaches any material provision of this Agreement and fails to promptly cure such breach after receiving notice thereof from the Seller, the Seller may withdraw from sale, without Christie's consent and without penalty, any and all Property not already sold. Seller and Christie's may mutually agree to withdraw, without penalty, one or more lots of Property from sale at a specific auction and sell such lots at an auction at a later date. If, after the Approval Order (as defined below) becomes final and non-appealable, Christie's consents to a withdrawal, a lot of Property may be withdrawn upon payment of 20% of the reserve price for each such lot or 20% of the mean of the pre-sale estimates for all such withdrawn lots if the reserve has not yet been set (collectively, the "Withdrawal Charges"), plus all reasonable out-of-pocket expenses incurred by Christie's. Christie's reserves the right to withdraw any Property at any time before sale if (i), in Christie's sole judgment, there is doubt as to its attribution or authenticity, (ii) Christie's provides to Seller written justification for Christie's belief that there is a reasonable basis to believe any of Seller's representations or warranties set forth herein are materially inaccurate, (iii) Seller has breached any provision of this Agreement and fails to cure such breach after receiving notice thereof from Christie's, or (iv) Christie's provides to Seller written justification for Christie's belief that there is a reasonable basis to believe that proceeding with the sale of such Property will subject Christie's or Seller to liability or reputational harm. There shall be no charge to Seller for a withdrawal pursuant to clause (i) or (iv) above; provided that Seller shall pay Christie's reasonable out-of-pocket expenses, and, if the Property withdrawn under this Agreement pursuant to clause (i) or (iv) above has an aggregate low estimate of \$50,000 or more, Seller shall refund to Christie's a pro rata portion of the Commitment Fee. In the event of a withdrawal pursuant to clause (ii) or (iii) above, Seller shall be liable for the Withdrawal Charges and other reasonable expenses set forth in the third sentence of this paragraph 10, and if the Property withdrawn under this Agreement pursuant to clause (ii) or (iii) above has an aggregate low estimate of \$50,000 or more, Seller shall refund to Christie's a pro rata portion of the Commitment Fee. The pro rata portion of the Commitment Fee to be refunded pursuant to this paragraph shall be determined by multiplying the Commitment Fee by a fraction where the

aggregate low estimate of all the Property per the Schedule (or any subsequent mutually agreed written revised aggregate low estimate) minus the new aggregate low estimate of all the Property is the numerator and the aggregate low estimate of all the Property per the Schedule (or any subsequent mutually agreed written revised aggregate low estimate) is the denominator.

11. SETTLEMENT OF ACCOUNT: Provided Christie's has received payment in full from the buyer, and subject to the next sentence of this paragraph 11, reasonably promptly (but no later than thirty-five (35) calendar days) after each sale (the "Settlement Date"), Christie's will pay Seller the net proceeds (the final bid price less any commissions payable to Christie's pursuant to paragraph 2 above and any other amounts due Christie's or any of our affiliates, whether arising out of the sale of Property and any other amounts or otherwise) received and collected from the sale of the Property (the "Net Proceeds"). Christie's will not make such payment if Christie's shall have received notice of the buyer's intention to rescind the sale or of any other bona fide claim relating to the Property or its sale prior to the Settlement Date. In the event that Seller has agreed to arrangements for payment by the buyer which extend beyond the Settlement Date, the Settlement Date shall be extended by a commensurate amount of time.

Payment of Net Proceeds will be made in United States dollars.

12. NON-PAYMENT BY BUYER: Christie's shall have no obligation to enforce payment by the buyer. However, in the event of non-payment by the buyer, Christie's, shall, in its sole discretion, as Seller's agent or on its own behalf, cancel the sale and return the Property to Seller, enforce payment by the buyer or take any other actions permitted by law; provided that, unless otherwise agreed to by the Seller, if Christie's has not received payment from the buyer within sixty-five (65) calendar days following the sale, Christie's shall be required to cancel the sale and return the Property to Seller at Christie's expense. Christie's shall not, under any circumstances, be liable for any consequential damages to Seller as a result of non-payment by the buyer. If a sale is canceled and the Property returned to Seller, Christie's shall promptly recalculate the Compensation payable to Christie's pursuant to this Agreement such that any Compensation payable to Christie's is calculated only based upon Property that is sold at a sale that is not later cancelled or rescinded.

13. RESCISSION OF SALE: Christie's, as Seller's agent, is authorized to accept the return and rescind the sale of any Property at any time if Christie's provides to Seller written justification for Christie's belief that there is a reasonable basis to believe that the offering for sale of any Property has subjected or may subject Christie's and/or Seller to any liability, including liability under warranty of authenticity or title. In such event, Christie's is further authorized to refund or credit to the buyer the purchase price of such returned Property. If Christie's has already remitted to Seller any proceeds of the rescinded sale, Seller forthwith shall pay Christie's upon request an amount equal to the remitted proceeds, and shall refund a pro rata portion of the Commitment Fee. The pro rata portion of the Commitment Fee to be refunded pursuant to this paragraph shall be determined by multiplying the Commitment Fee by a fraction where the hammer price of the rescinded Property is the numerator and the aggregate hammer price of all the sold Property plus the reserve price of any unsold Property prior to any rescission is the denominator. If a sale of Property is rescinded, Christie's shall promptly recalculate the Compensation payable to Christie's pursuant to this Agreement such that any Compensation payable to Christie's is calculated only based upon Property that is sold at a sale that is not later cancelled or rescinded.

14. POST-AUCTION SALES: If any lot is bought-in pursuant to paragraph 8 above, Christie's, as Seller's exclusive agent, is authorized for a period of thirty (30) calendar days following the auction to sell the lot privately for a price that will result in payment to Seller of an amount at least equal to the amount that Seller would have received if the lot had been sold at the reserve, or for such lesser amount as Christie's and Seller shall agree. In such event, all other provisions of this Agreement shall remain in full force and effect.

15. UNSOLD PROPERTY: For each lot offered but not sold, there will be no service charge. Any Property remaining unsold following the expiration of the thirty (30)-day period referred to in paragraph 14 above shall be returned to Seller at Christie's expense.

16. SELLER'S REPRESENTATIONS AND WARRANTIES: Seller represents and warrants to Christie's that, as of the date of this Agreement, (i) subject to entry of the Approval Order, Seller has the right and title to consign the Property for sale, (ii) subject to entry of the Approval Order, the Property is, and until the completion of sale by Christie's will be, free and clear of all liens, claims and encumbrances of others or restrictions on Christie's right to offer and sell the Property, (iii) subject to entry of the Approval Order, upon sale, good and marketable title and right to possession will pass to the buyer free of any such liens, claims, encumbrances or restrictions, (iv) Seller has no reason to believe that any lot of Property is not authentic or is counterfeit, (v) Seller has disclosed to Christie's all information in Seller's possession relating to the provenance of the Property, (vi) the Property is not "confiscated property" within the meaning of any United States federal or state laws, (vii) Seller's consignment to and authorization of Christie's to sell the Property is in full compliance with all United States federal and state laws and (viii) the exportation, if any, of the Property from any foreign country has been in full conformity with the laws of such country and the importation of the Property into the United States has been or will be in full conformity with the laws of the United States. Subject to Christie's obtaining any necessary intellectual property rights, Seller hereby grants to Christie's the right to illustrate and photograph the Property for sale and to use such photographs, illustrations or images at any time before or after the sale and for such purposes as Christie's deems appropriate. Seller agrees that the representations and warranties set forth herein are for the benefit of Christie's and buyers of the Property and that the representations and warranties shall survive the completion of the transactions contemplated hereby. Seller agrees to notify Christie's promptly in writing of any events or circumstances that may cause the foregoing representations and warranties to be inaccurate or breached in any way. If Seller is acting as an agent for a principal, Seller and principal, jointly and severally, assume all of the obligations under this Agreement.

17. INDEMNIFICATION: Seller shall defend, indemnify and hold harmless Christie's from and against any and all losses, damages, liabilities and claims, and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable attorneys' fees), arising out of, based upon or resulting from (i) any act by or omission of Seller or its agents (other than Christie's) or representatives relating to or affecting the Property, or (ii) any inaccuracy, asserted by Christie's or any third party in a court action, of any representation or warranty made by Seller pursuant to this Agreement.

18. EFFECTIVENESS: The effectiveness of this Agreement is conditioned upon entry by the Bankruptcy Court of an order that (i) authorizes the Debtors to retain Christie's upon the terms set forth herein *nunc pro tunc* to the date of this Agreement, (ii) authorizes the sale of the Property free and clear

of any liens, claims or encumbrances, and (iii) authorizes the payment of Christie's fee and the reimbursement of expenses as provided herein (collectively, the "Approval Order"); provided, however, that if the Approval Order is later reversed or vacated, this Agreement shall become null and void. For the avoidance of doubt, if this Agreement becomes null and void, Christie's shall immediately return all Property to Seller at no cost to Seller or the Debtors and Seller and the Debtors shall not be liable to Christie's for any amounts under this Agreement.

19. BANKRUPTCY FILING REQUIREMENTS: Christie's shall not be required to file formal applications for approval of its Compensation and reimbursement of expenses or keep detailed time records; *provided, however*, that within sixty (60) calendar days after the completion of the last sale under this Agreement, Christie's shall provide to the Debtors settlement statements ("Settlement Statements") for filing with the Bankruptcy Court. The Settlement Statements shall include a breakdown of proceeds from the sale of the Property and the Compensation paid or to be paid to Christie's under this Agreement. The Settlement Statements shall be subject to review pursuant to section 330 of the United States Bankruptcy Code. If a sale of any Property is cancelled or rescinded after the Settlement Statements are filed, Christie's shall amend the Settlement Statements and provided such amended Settlement Statements to the Debtors for filing with the Bankruptcy Court.

20. MISCELLANEOUS: This Agreement constitutes the entire agreement and understanding between the parties with respect to the transactions contemplated hereby and supersedes all prior agreements relating to the Property. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. In the event of any dispute hereunder, (i) the parties hereby consent to the exclusive jurisdiction of the Bankruptcy Court and (ii) neither party shall be liable to the other for any special, consequential or incidental damages. This Agreement shall be binding upon Seller's and Christie's heirs, distributees, executors, legal representatives, successors and assigns.

The parties agree to the foregoing by signing in the space provided below.

ADVANTA SHARED SERVICES CORP.

CHRISTIE'S INC.

By: _____

Name:

Title:

By _____

Licensed by the New York City

Department of Consumer Affairs

Principal Auctioneer: Christopher J. Burge

License #761543

CHRISTIE, MANSON & WOODS, LTD.

By _____



CHRISTIE'S

SCHEDULE

The Property listed below has been consigned to Christie's Inc. ("Christie's") under the terms and conditions of the Consignment Agreement dated July 22, 2010 (the "Agreement"), which Agreement is incorporated herein by reference in its entirety.

Title for Sale
(if applicable) _____

<u>Description of Property</u>	<u>Estimates</u>	<u>Agreed Reserve</u>
As set forth on the attached Exhibit.	As set forth on the attached Exhibit	TBD

The parties agree to the foregoing by signing in the space provided below.

ADVANTA SHARED SERVICES CORP.

CHRISTIE'S INC.

By: _____
Name:
Title:

By _____
Licensed by the New York City
Department of Consumer Affairs
Principal Auctioneer: Christopher J. Burge
License #761543

CHRISTIE, MANSON & WOODS, LTD.

By _____

APPENDIX A

Marketing Promises, Christie's confirms:

- That there will be a fold out for Morris Louis', *Saf*, and Joan Mitchell's, *The Lake*, in the Post-War and Contemporary Evening Sale catalog
- That there will be an additional illustration of Morris Louis', *Saf*, in the Post-War and Contemporary Evening Sale catalog
- That Morris Louis', *Saf*, will be featured on the Front of House screens in New York prior to the Post-War and Contemporary sales
- That the Post-War and Contemporary Morning Session works will be grouped together and include an introductory essay
- That the Jules Olitiski's, *Arnolfini Baby*, will receive an additional illustration (a frontispiece) in the Post-War and Contemporary Morning Session catalog

Events, Tours, Previews, Installation, Christie's confirms:

- That selected works will be featured during the collector receptions that are scheduled between September and November, in advance of the fall sale season. Events are to be determined.
- That selected works (including Joan Mitchell's, *The Lake*, and Morris Louis', *Red Go*) will be highlights during the Impressionist and Modern preview
- That selected works (including Joan Mitchell's, *The Lake*) will be featured in the press preview promoting the collection and sales.
- That the following works will be installed on the first floor: Morris Louis, *Saf*, Joan Mitchell, *The Lake*, Frank Stella, *Double Scramble*, Robert Motherwell, *Black and White #5 (Beside the Sea)*, Helen Frakenthaler, *Travelogue I*, and Morris Louis, *Red Go*

APPENDIX B

Howard Hodgkin's, *On the Edge of the Ocean* will:

- receive 4 pages in the UK Post-War and Contemporary Art – Evening Sale catalog
- be highlighted in the windows of Christie's King Street offices
- be highlighted in the "Brochure" featuring the UK Post-War and Contemporary Art – Evening Sale
- be highlighted in the lobby of Christie's King Street offices

APPENDIX C

Client Property – Risk & Insurance Guidelines Terms and Conditions of Christie's Liability

TERMS AND CONDITIONS OF CHRISTIE'S LIABILITY

These are the terms and conditions on which Christie's will accept liability for physical loss of, or damage to, the Lots, as referred to in, and incorporated into, the Consignment Agreement.

1. DEFINITIONS

In these terms and conditions:

"Christie's" means Christie's International Plc and/or its subsidiaries from time to time as the case may be;

"Consignment Agreement" means Christie's standard terms and conditions accepted by the Consignor and appended hereto;

"Lots" means those items listed in the Schedule to the Consignment Agreement and includes but is not limited to works of art, pictures, paintings, books, jewellery, silver, objects of vertu, porcelain, furniture, wine, motor vehicles and any other interests appertaining to the business of Christie's and its subsidiaries;

"Owner" means the person having full legal title to the Lots;

"Owner's Agent" means the person acting as Agent on behalf of the Owner.

2. GENERAL EXCLUSIONS FROM LIABILITY

Christie's shall not be under any liability for loss, damage or expense attributable to or caused by:

- 2.1 the wilful misconduct of you, the Owner or the Owner's Agent (excluding Christie's or its agents);
- 2.2 moth, vermin, woodworm, wear, tear, gradual deterioration and/or inherent vice; or
- 2.3 delay, other than a delay that is caused or contributed to by Christie's or its agents.

3. **WAR EXCLUSION**

In no case shall Christie's be under any liability for loss, damage or expense caused by:

- (a) war, civil war, revolution, rebellion, insurrection, or civil strife arising there from, or any act by or against a belligerent power;
- (b) capture, seizure, arrest, restraint or detainment (piracy excluded), and the consequences thereof or any attempt thereat;
- (c) derelict mines, torpedoes, bombs or other derelict weapons of war; or
- (d) confiscation, expropriation, detention, destruction, nationalisation, requisition or enforcement by order of any Government, Public, Municipal, Local or Customs Authority.

4. **TERRORISM EXCLUSION**

Notwithstanding any provision to the contrary within these terms and conditions or any addition to them, Christie's shall be under no liability for any loss, damage or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

In these terms and conditions, an "act of terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof of any person or group of person(s), whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

5. **ENVIRONMENTAL EXCLUSION**

Christie's shall be under no liability for any loss, damage or expense directly or indirectly caused by or contributed to by or arising from:

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or any nuclear waste or from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or any other nuclear assembly or nuclear component thereof;
- (c) any weapon or device supplying atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, store or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- (e) any chemical, biological, bio-chemical or electromagnetic weapon.

6. **PAIRS AND SETS**

If physical loss of, or damage to, the Lots is recoverable under these terms and conditions, and the Lots are a pair or set, Christie's will pay any consequent depreciation in value on the remainder of the pair or set.

7. **PARTIAL DAMAGE**

In cases where Lots are partially damaged Christie's liability will be limited to reasonable restoration costs and the diminution in the value of the Lot (taken in its condition as restored), if any, caused by such damage.

8. **RESTORATION**

Christie's shall be under no liability for any loss of, or damage to, the Lots caused by work done in the course of alteration or any refinishing, renovating, repairing, restoring, reframing or similar process; provided, however, that where one or more of the Lots suffer physical damage or loss due to the gross negligence of Christie's or its agents (other than due to industry standard treatments or standard procedures), Christie's shall be liable for such loss or damage.

9. **EXHIBITIONS AND RELATED RISKS**

It is agreed that these terms and conditions include all transits and exhibitions, sales, displays or viewings where Christie's send items between their main offices or elsewhere.

10. **NOTIFICATION OF LOSS**

On the discovery of any event which may give rise to a claim, the Owner must advise Christie's without delay and thereafter give notice in writing within thirty days.

11. **ASSIGNMENT OF TITLE**

Where a claim is made for the complete physical loss of the Lots and Christie's pays sums to you in respect of that loss, if the Lots are subsequently recovered, you agree that Christie's shall take full legal title to the Lots unless and until such time as you return those sums to Christie's. Where a claim is made

for physical damage to the Lots and Christie's pays sums to you on the basis that the Lots were totally damaged, you likewise agree that Christie's shall take full legal title to the Lots.

12. **LAW AND JURISDICTION**

Like the Consignment Agreement, these terms and conditions shall be construed pursuant to the provisions of English law.

EXHIBIT B

DECLARATION

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**DECLARATION OF CATHY ELKIES
IN SUPPORT OF APPLICATION FOR AUTHORIZATION TO EMPLOY AND
RETAIN CHRISTIE’S INC. AND MOTION TO APPROVE SALE OF ARTWORK**

Cathy Elkies, being duly sworn, hereby states as follows:

1. I am a Senior Vice President and Head of Corporate Collections (New York) of Christie’s,¹ a public auction house. I submit this declaration (the “**Declaration**”) in support of the *Application for Authorization to Employ and Retain Christie’s Inc. and Motion to Approve Sale of Artwork* (the “**Application**”) on the terms and conditions set forth in the Application and the Agreement attached to the Application as **Exhibit A**. Except as otherwise noted,² I have personal knowledge of the matters set forth herein.

Disinterestedness and Eligibility

2. Christie’s has utilized certain procedures (“**Procedures**”) to determine its relationships, if any, to parties that may have a connection to ASSC or the Debtors. In implementing the Procedures, the following actions were taken to identify parties that may have connections to ASSC, the Debtors, and Christie’s relationship with such parties:

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Application.

² Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Christie’s and are based on information provided by them.

(a) Christie's requested and obtained from ASSC an extensive list of interested parties and significant creditors (the "*Potential Parties in Interest*"). The Potential Parties in Interest reviewed include, among others, ASSC, the Debtors, their non-debtor affiliates, officers, directors, the one hundred twenty (120) largest unsecured creditors of the Debtors (on a consolidated basis), significant suppliers, parties holding ownership interests in the Debtors, significant counterparties to material agreements and significant litigation claimants.

(b) Christie's then compared the names of each of the Potential Parties in Interest to its current and recent clients (the "*Client Database*").

(c) Known connections between former or recent clients of Christie's and the Potential Parties in Interest were compiled for purposes of preparing this Declaration. These connections are listed in *Schedule A* annexed hereto.

3. As a result of the Procedures, I have thus far ascertained that, except as may be set forth herein, upon information and belief, Christie's:

(a) is not a creditor of ASSC or the Debtors (including by reason of unpaid fees for prepetition services), an equity security holder of ASSC or the Debtors;

(b) is not, and has not been, within 2 years before the date of the filing of the petition, a director, officer, or employee of ASSC or the Debtors; and

(c) does not have an interest materially adverse to the interests of ASSC or the Debtors' estates, or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, ASSC or the Debtors, or for any other reason.

4. Christie's has performed in the past, and may perform in the future, services for various clients, and may have and may in the future sell art work to or for

individuals and entities, some of whom may be involved in these chapter 11 cases. Based on my current knowledge of these chapter 11 cases, none of these relationships create interests materially adverse to ASSC or the Debtors in matters upon which Christie's is to be employed, and none are in connection with these chapter 11 cases.

5. To my knowledge, no employee of Christie's is a relative of, or has been connected with the United States Trustee in this district or its employees.

6. Accordingly, to the best of my knowledge, Christie's is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, in that Christie's: (i) is not a creditor, equity security holder, or insider of the Debtors; (ii) was not, within two years before the date of filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtors; and (iii) does not have an interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders.

7. Christie's continues to review the relationships its attorneys may have with potentially interested parties and to determine whether any relationships other than those set forth herein exist. If any new material relevant facts or relationships are discovered or arise, Christie's will promptly file a supplemental declaration.

Compensation

8. To the best of my knowledge, (i) no commitments have been made or received by Christie's with respect to compensation or payment in connection with these cases other than as set forth in the Agreement, and (ii) Christie's has no agreement with any other entity to share with such entity any compensation received by Christie's in connection with these chapter 11 cases.

9. By reason of the foregoing, I believe Christie's is eligible for employment and retention by ASSC pursuant to sections 327(a) and 328 of the Bankruptcy Code and the applicable Bankruptcy Rules and Local Rules.

10. 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 information, knowledge and belief.

Dated this 22nd day of July 2010

By: /s/ Cathy Elkies
Cathy Elkies
Senior Vice President
Head of Corporate
Collections (New York)
Christie's Inc.

Schedule A

Known connections between former or recent clients/customers of Christie's and the Potential Parties in Interest

<u>Name</u>	<u>Relationship</u>
1. Advanta Shared Services Corp.	Current Client
2. Great Expectations International, Inc.	Current Client or Customer
3. Dennis Alter	Current Customer
4. William A. Rosoff	Current Customer
5. Philip M. Browne	Current Customer
6. John F. Moore	Current Client
7. David B. Weinstock	Current Client or Customer
8. Thomas Costello	Current Client
9. Robert S. Blank	Current Client
10. Ronald Lubner	Current Client or Customer
11. Michael A. Stolper	Current Client or Customer
12. KPMG	Current Client
13. Dechert LLP	Current Client or Customer
14. Pepper Hamilton LLP	Current Client or Customer
15. Cozen O'Connor	Current Client and Customer
16. Weil, Gotshal & Manges LLP	Current Client or Customer
17. Schneider, Harrison, Segal & Lewis LLP	Current Client or Customer
18. Buckley Sandler LLP	Current Client or Customer
19. Duane Morris LLP	Current Client or Customer
20. Van Cott, Bagley, Cornwall & McCarthy	Current Client or Customer
21. Simon Adamiyatt	Current Customer
22. James Morton	Current Customer
23. Bank of New York Mellon	Current Client
24. O C Tanner	Current Client or Customer
25. Sprint	Current Client or Customer
26. Richard Green	Current Client or Customer
27. Robert Toll	Current Client or Customer
28. Daniel Haas	Current Customer
29. Susan Levin	Current Client
30. Penney J. Graves	Current Client
31. Lawrence Smith	Current Client or Customer
32. Kenneth L. Brown	Current Client or Customer
33. James Baker	Current Client or Customer
34. Jill Baker	Current Client
35. Eurest	Current Client and Customer
36. Anne E. Lewis	Current Client or Customer
37. John T. Lamont	Current Client
38. Pamela R. Hill	Current Client or Customer
39. Philip Cook	Current Customer

40. Deutsche Bank AG

Current Client or Customer

EXHIBIT C

PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X	
<i>In re</i>	:	Chapter 11
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-13931 (KJC)
Debtors.	:	(Jointly Administered)
	X	Re: Docket No. ____

**ORDER AUTHORIZING ADVANTA SHARED SERVICES CORP. TO
EMPLOY AND RETAIN CHRISTIE’S INC. AND APPROVING SALE OF ARTWORK**

Upon the application dated July 22, 2010 (the “*Application*”) of Advanta Shared Services Corp. (“*ASSC*”), as debtor and debtor in possession, for an order (i) pursuant to sections 327(a) and 328 of title 11 of the United States Code (the “*Bankruptcy Code*”), authorizing ASSC to employ and retain Christie’s Inc. (hereafter referred to as “*Christie’s*”) as auctioneer for the Debtors, nunc pro tunc to July 22, 2010 (the “*Retention Date*”); and (ii) pursuant to section 363 of the Bankruptcy Code,¹ authorizing and approving the sale(s) of approximately 56 post-war and contemporary paintings, prints and sculptures by European and American artists in ASSC’s corporate art collection (the “*Property*”) through Christie’s, free and clear of all liens, claims and encumbrances; and upon the Declaration of Cathy Elkies in support of the Application annexed thereto as *Exhibit B*; and due and adequate notice of the Application having been given; and the Court being satisfied that Christie’s is a “disinterested person” as such term is defined under section 101(14) of the Bankruptcy Code; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Application is in the best interests of

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

ASSC, its estate, and its creditors; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted; and it is further

ORDERED that, pursuant to sections 327(a) and 328 of the Bankruptcy Code, ASSC is hereby authorized to retain Christie's as auctioneer, nunc pro tunc to the Retention Date on the terms set forth in the Agreement; and it is further

ORDERED that the terms of the Agreement, including without limitation, the compensation provisions, are reasonable terms and conditions of employment and are hereby approved; and it is further

ORDERED that, within 70 calendar days of the completion of the last Sale under the Agreement, Christie's (with the assistance of ASSC) shall file a fee statement with the Court summarizing the proceeds of the sale of the Property and the total compensation paid to Christie's pursuant to the Agreement, which shall be subject to review under section 330 of the Bankruptcy Code; provided, however that Christie's shall not be required to maintain detailed time entries; and it is further

ORDERED that, pursuant to section 363(b)(1) of the Bankruptcy Code, the sale of the Property pursuant to the terms of the Agreement, whether by public auction or private sale, is hereby approved and authorized without further order of this Court; and it is further

ORDERED that, notwithstanding the consignment of the Property to Christie's, ASSC shall retain all rights and interests in the Property until such Property is sold and proceeds thereof are received by ASSC; and it is further

ORDERED that, pursuant to section 363(f) of the Bankruptcy Code, the sale of the Property by Christie's shall be free and clear of any and all liens, claims, and encumbrances,

with such liens, claims, and encumbrances, if any, to attach to the proceeds of the Property with the same force, effect, and priority as such liens, claims, and encumbrances have on the Property, as appropriate; and it is further

ORDERED that the rights and defenses of ASSC and any other party in interest with respect to any assertion that any liens, claims, and encumbrances have attached to the proceeds of the sale of the Property are hereby preserved; and it is further

ORDERED that the 14-day stay under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure is waived; and it is further

ORDERED that to the extent there is inconsistency between the terms of the Agreement, the Application, and this Order, the terms of this Order shall govern; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: August _____, 2010
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE