## PLEASE CAREFULLY REVIEW THIS OBJECTION AND THE ATTACHMENTS HERETO TO DETERMINE WHETHER THIS OBJECTION AFFECTS YOUR CLAIMS. SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THIS OBJECTION.

## UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

	X	
	:	
In re	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	Hearing Date: October 27, 2010 at 3:00 p.m.
	X	Response Deadline: October 20, 2010 at 4:00 p.m.

## THIRD OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS (RECLASSIFIED AND RECATEGORIZED CLAIMS)

Advanta Corp. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "*Debtors*"), hereby file this third substantive omnibus objection (the "*Omnibus Objection*") to the claims asserted against the

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").

<sup>&</sup>lt;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, are Advanta Corp. (2070) ("*Advanta*"), Advanta Investment Corp. (5627), Advanta Business Services Holding Corp. (4047), Advanta Business Services Corp. (3786),

Debtors' estates that are listed on *Exhibit A* and *Exhibit B* attached hereto (collectively, the "*Third Omnibus Claims*"). In support of this Omnibus Objection, the Debtors respectfully represent as follows:

## **Relief Requested**

1. By this Omnibus Objection, pursuant to section 502 of the Bankruptcy Code, Bankruptcy Rule 3007(d)(7), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors request entry of an order substantially in the form attached hereto as Exhibit D (the "Order") reclassifying and/or recategorizing each of the Third Omnibus Claims as described in the exhibits attached hereto.

#### The Bar Dates

- 2. On April 7, 2010, the Court entered an order (the "Bar Date Order")

  [Docket No. 399] establishing, among other things, May 14, 2010 at 5:00 p.m. (Eastern Time)

  (the "Bar Date") as the deadline to file proofs of claim against the Debtors (each a "Proof of Claim," and, collectively, the "Proofs of Claim").
- 3. Pursuant to the Bar Date Order, Garden City Group, Inc., the courtappointed claims and noticing agent in these cases, mailed notice of the Bar Date (the "Bar Date Notice") to approximately 19,500 parties in interest. In addition to mailing the Bar Date Notice, the Debtors gave notice to potential creditors by publishing the Bar Date Notice in *The Wall Street Journal* and *The Philadelphia Inquirer*. The mailing and publishing of the Bar Date Notice provided potential creditors with adequate and sufficient notice of the Bar Date.
- 4. As of the Bar Date, approximately 2,900 Proofs of Claim have been docketed in these chapter 11 cases. Among the filed claims are the Third Omnibus Claims. The

Debtors have reviewed each of the Third Omnibus Claims and have concluded that each such claim is appropriately objected to on the basis set forth below.

#### Objection

- 5. As set forth on *Exhibit A* annexed hereto, the holders of the Third Omnibus Claims improperly assert "priority" status under section 507(a) of the Bankruptcy Code for all or a portion of their claim. The Debtors object to the asserted priority status for all or part of each Third Omnibus Claim because there is no discernible basis for such classification, and the Debtors' books and records do not indicate that such treatment is justified pursuant to the provisions of the Bankruptcy Code.
- 6. Advanta Door Service, Inc.(Claim No. 333) filed a Proof of Claim in the amount of \$930.33 and asserts entitlement to treatment as an administrative expense under section 503(b)(9) of the Bankruptcy Code, and if classified as an administrative expense, Claim No. 333 would be entitled to priority status under section 507(a)(2) of the Bankruptcy Code. Section 503(b)(9) provides that, upon notice and a hearing, a creditor's claim shall be allowed as an administrative expense for

the value of any goods received by the debtor within 20 days before the date of commencement of a case under [title 11] in which the goods have been sold to the debtor in the ordinary course of such debtor's business.

11 U.S.C. § 503(b)(9). In order to qualify for treatment under section 503(b)(9), a claimant must satisfy three requirements: (i) the claimant must have sold "goods" to the debtor, (ii) the goods must have been delivered "within 20 days before the [Commencement Date]," and (iii) the goods must have been sold within the ordinary course of the debtor's business. *In re Goody's Family Clothing, Inc.*, 401 B.R. 131, 136-37 (Bankr. D. Del. 2009).

- 7. A claim asserting administrative expense status under section 503(b)(9) of the Bankruptcy Code must, among other things, arise from the delivery of *goods* within the statutory 20-day period. Relying on the definition of "goods" in the Uniform Commercial Code, courts have held that "goods" must be moveable and do not include services. *See id.* at 135 (holding that claim was misclassified as an administrative expense under section 503(b)(9) of the Bankruptcy Code because the claimant's services of inspecting, unpacking, ticketing, and repackaging of garments could not be considered the sale of "goods"). Thus, an administrative expense pursuant to section 503(b)(9) of the Bankruptcy Code cannot include a claim for services that were provided to the debtor in connection with the sale of goods. *See id.* at 135-37.
- 8. The Debtors object to the priority status of a portion of Claim No. 333, in the amount of \$916.73, as this portion of the claim relates to services provided to a Debtor, and therefore includes amounts not attributable to the delivery of "goods." Because such claim is not entitled to treatment as an administrative expense under section 503(b)(9) of the Bankruptcy Code, \$916.73 of Claim No. 333 should be reclassified as a general unsecured claim.
- 9. In addition, Richard T. Brandt/ Brandt Interactive Design (Claim No. 125) asserts a priority claim in the amount of \$1,500.00 for services provided to one of the Debtors, for which he is not entitled to priority treatment under section 507(a)(4) of the Bankruptcy Code. Section 507(a)(4) of the Bankruptcy Code grants priority status to claims for wages, salaries and commissions (up to \$10,950<sup>2</sup>) earned within the earlier of 180 days before the commencement date or the cessation of the Debtor's business. *See* 11 U.S.C. § 507(a)(4)(A). Section 507(a)(4)(B) of the Bankruptcy Code affords priority status for sales commissions earned by an

<sup>&</sup>lt;sup>2</sup> Although increased to \$11,725, effective April 1, 2010, the applicable version of the Bankruptcy Code in effect as of the Commencement Date granted priority status to claims for wages, salaries, and commissions, up to \$10,950.

individual or corporation with only one employee, acting as an independent contractor, if and only if, during the 12 months preceding the filing of the bankruptcy petition, at least 75 percent of the amount that the individual or corporation earned was earned from the debtor. *See id.* § 507(a)(4)(B). Independent contractor claims are also subject to the general rules governing priority for wages, salaries and commissions: they must be earned within 180 days before the date of filing or cessation of business and cannot exceed \$10,950. *Id.* 

- 10. Claim No. 125, filed by Richard T. Brandt/ Brandt Interactive Design in the amount of \$1,500.00, is not entitled to priority treatment because there is no evidence (either in the Proof of Claim relating to Claim No. 125 or in the Debtors' records) that such claim is for (i) wages, salaries, or commissions earned within 180 days before the filing of the bankruptcy petition, or (ii) for sales commissions earned by an individual or corporation with only one employee, that the individual or corporation was acting as an independent contractor, or that at least 75 percent of the amount earned by the claimant in the 12 months preceding the Commencement Date was earned from the Debtors. Rather, the supporting documents submitted by the claimant indicate that Claim No. 125 relates to services performed prepetition. Because such claim is not entitled to priority treatment under section 507(a)(4)(B) of the Bankruptcy Code, Claim No. 125, in its entirety, should be reclassified as a general unsecured claim.
- Door Service, Inc. in the amount of \$930.33 identifies one Debtor as the obligor when such claim is properly asserted, if at all, against another Debtor. Claim No. 333 has no valid legal justification (for example, the existence of a guaranty) for asserting a claim against the given Debtor. Therefore, the Debtors seek to recategorize Claim No. 333 as asserted against the correct Debtor, as set forth on *Exhibit B*.

12. In support of the foregoing, the Debtors rely on the Declaration of Julie Hertzberg Pursuant to Local Rule 3007-1 in Support of the Third Omnibus Objection (Substantive) to Claims (Reclassified and Recategorized Claims), dated as of the date hereof (the "Hertzberg Declaration") and attached hereto as Exhibit C.

#### Jurisdiction

13. 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**

- Notice of this Omnibus Objection will be provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the official committee of general unsecured creditors; (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 trustee under the 8.99% Indenture (as defined in the Rosoff Declaration); (v) each holder of a Third Omnibus Claim at the address for notices set forth in each holder's Proof of Claim; and (vi) those parties who have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). The Debtors respectfully submit that no further notice of this Omnibus Objection is required.
- 15. Pursuant to Bankruptcy Rule 3007, the Debtors have provided all claimants affected by this Omnibus Objection with at least thirty days' notice of the hearing to consider this Omnibus Objection.

#### **No Prior Request**

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

#### **Statement of Compliance with Local Rule 3007-1**

17. The undersigned representative of Richards, Layton & Finger, P.A. certifies that he has reviewed the requirements of Local Rule 3007-1 and that the Omnibus Objection substantially complies with that Local Rule. To the extent that the Omnibus Objection does not comply in all respects with the requirements of Local Rule 3007-1, Richards, Layton & Finger, P.A. believes such deviations are not material and respectfully requests that any such requirement be waived.

#### **Separate Contested Matters**

18. To the extent that a response is filed regarding any Third Omnibus Claim listed in this Omnibus Objection and the Debtors are unable to resolve the response, each such Third Omnibus Claim, and the objection by the Debtors to each such Third Omnibus Claim asserted herein, shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding an objection asserted in the Omnibus Objection shall be deemed a separate order with respect to each Claim.

## **Responses to Omnibus Objection**

19. To contest the relief requested in this Omnibus Objection, a claimant must file and serve a written response to this Objection (a "*Response*") so that it is received no later than October 20, 2010 at 4:00 p.m. (EDT) (the "*Response Deadline*"). Every Response must be filed with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware: 824 North Market Street, Wilmington, Delaware 19801, and served upon the

following parties, so that the Response is received no later than the Response Deadline, at the following addresses:

WEIL, GOTSHAL & MANGES LLP 767 Fifth Avenue New York, NY 10153 Attn: Robert J. Lemons and Debora Hoehne

- and -

RICHARDS, LAYTON & FINGER, P.A. One Rodney Square 920 North King Street Wilmington, DE 19801 Attn: Paul N. Heath and Chun I. Jang

- and -

Latham & Watkins LLP 885 Third Avenue New York, NY 10022-4834 (212) 906-1200 Attn: Roger G. Schwartz, Adam J. Goldberg and Catherine M. Martin

20. Every Response to this Omnibus Objection must contain at a minimum the following information:

- (a) a caption setting forth the name of the Court, the name of the Debtors, the case number, and the title of the Objection to which the Response is directed;
- (b) the name of the Claimant, his/her/its claim number, and a description of the basis for the amount of the Proof of Claim;
- (c) the specific factual basis and supporting legal argument upon which the party will rely in opposing this Omnibus Objection;
- (d) any supporting documentation, to the extent it was not included with the Proof of Claim previously filed with the clerk or claims agent, upon which the party will rely to support the basis for and amounts asserted in the Proof of Claim; and
- (e) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Debtors should communicate with respect to the claim or the Omnibus Objection and who possesses authority to reconcile, settle, or otherwise

resolve the objection to the disputed claim on behalf of the claimant.

21. If a claimant fails to file and serve a timely Response by the Response Deadline, the Debtors may present to the Court an appropriate order disallowing such claimant's claim, without further notice to the claimant or a hearing.

## **Replies to Responses**

22. Consistent with Local Rule 9006-1(d), the Debtors may, at their option, file and serve a reply to a Response no later than 4:00 p.m. (Prevailing Eastern Time) one day prior to the deadline for filing the agenda on any hearing to consider the Omnibus Objection.

#### Reservation of Rights

- 23. The Debtors hereby reserve the right to object in the future to any of the Proofs of Claim listed in this Omnibus Objection or on the exhibits attached hereto on any ground, and to amend, modify, and/or supplement this Omnibus Objection, including, without limitation, to object to amended or newly-filed claims. Separate notice and hearing may be scheduled for any such objection.
- 24. Notwithstanding anything contained in this Omnibus Objection or the attached exhibits, nothing herein shall be construed as a waiver of any rights that the Debtors may have: (a) to bring avoidance actions under the applicable sections of the Bankruptcy Code against the holders of claims subject to the Omnibus Objection; or (b) to exercise their rights of setoff against the holders of such claims relating to such avoidance actions.

WHEREFORE the Debtors respectfully request entry of the Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: August 31, 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) RICHARDS, LAYTON & FINGER, P.A. One Rodney Square 920 North King Street Wilmington, Delaware 19801 Telephone: (302) 651-7700

Facsimile: (302) 651-7701

- and -

WEIL, GOTSHAL & MANGES LLP Marcia L. Goldstein Robert J. Lemons 767 Ffifh Avenue New York, NY 10153 Telephone: (212) 310-8000 Facsimile: (212) 310-8007

ATTORNEYS FOR **DEBTORS AND DEBTORS IN** POSSESSION

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

	X	
	:	
In re	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
1	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	
	:	Hearing Date: October 27, 2010 at 3:00 p.m. (EDT)
	X	Response Deadline: October 20, 2010 at 4:00 p.m. (EDT)

## NOTICE OF THIRD OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS (RECLASSIFIED AND RECATEGORIZED CLAIMS)

PLEASE TAKE NOTICE that, on August 31, 2010, Advanta Corp. and certain of its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "*Debtors*"), by and through their undersigned counsel, filed the **Third Omnibus Objection (Substantive) to Claims (Reclassified and Recategorized Claims)** (the "*Omnibus Objection*") with the United States Bankruptcy Court for the District of Delaware (the "*Bankruptcy Court*").

PLEASE TAKE FURTHER NOTICE THAT in accordance with Rule 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, if you wish to oppose the Omnibus Objection, then you must file a

<sup>&</sup>lt;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, 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).

written response (a "Response") with the Bankruptcy Court prior to <u>4:00 p.m. (Eastern</u>

Daylight Time) on October 20, 2010 (the "Response Deadline") at the address shown below:

United States Bankruptcy Court for the District of Delaware Clerk of the Court 824 North Market Street, 3rd Floor Wilmington, Delaware 19801

PLEASE TAKE FURTHER NOTICE THAT any Response must be in writing and served upon and actually received by the undersigned counsel for the Debtors prior to the Response Deadline.

PLEASE TAKE FURTHER NOTICE THAT, if a Response is timely filed, served and received and such Response is not otherwise timely resolved, a hearing to consider such Response and the Omnibus Objection will be held before The Honorable Kevin J. Carey at the Bankruptcy Court, 824 Market Street, 5<sup>th</sup> Floor, Courtroom 5, Wilmington, Delaware 19801 on October 27, 2010 at 3:00 p.m. (Eastern Daylight Time).

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

Dated: August 31, 2010

Wilmington, Delaware

Respectfully submitted,

/s/ Zachary I. Shapiro

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

RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square 920 North King Street Wilmington, Delaware 19801

Telephone: (302) 651-7700 Facsimile: (302) 651-7701

- and -

WEIL, GOTSHAL & MANGES LLP

Marcia L. Goldstein Robert J. Lemons 767 Fifth Avenue New York, NY 10153

Telephone: (212) 310-8000 Facsimile: (212) 310-8007

ATTORNEYS FOR

**DEBTORS AND DEBTORS IN** 

**POSSESSION** 

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

	X	
	:	
In re	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
1	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	
	:	Hearing Date: October 27, 2010 at 3:00 p.m. (EDT)
	X	Response Deadline: October 20, 2010 at 4:00 n.m. (EDT)

## NOTICE OF THIRD OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS (RECLASSIFIED AND RECATEGORIZED CLAIMS)

PLEASE TAKE NOTICE that, on August 31, 2010, Advanta Corp. and certain of its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "*Debtors*"), by and through their undersigned counsel, filed the Third Omnibus Objection (Substantive) to Claims (Reclassified and Recategorized Claims) (the "*Omnibus Objection*"), objecting to your claim(s) in the above-captioned chapter 11 cases. Your claim(s) may be disallowed and/or your substantive rights may be affected as a result of the Omnibus Objection. Therefore, you should read the attached Omnibus Objection carefully. If you do not want the Court to disallow your claim(s), then you or your attorney must file a written response (a "*Response*") to the Omnibus Objection, as set forth in the Omnibus Objection, with the United States Bankruptcy Court for the District of Delaware, 824

Great Expectations Management Corp. (3328).

<sup>&</sup>lt;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, 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

North Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801 (the "*Bankruptcy Court*"), and serve such Response so as to be <u>received</u> by the undersigned counsel to the Debtors no later than **4:00 p.m.** (Eastern Daylight Time) on October **20, 2010**.

PLEASE TAKE FURTHER NOTICE THAT YOUR SUBSTANTIVE
RIGHTS MAY BE AFFECTED BY THIS OMNIBUS OBJECTION AND BY ANY
FURTHER OMNIBUS OBJECTIONS THAT MAY BE FILED BY THE DEBTORS.

Objection is timely filed and received in accordance with the above procedures, an order may be entered granting the relief requested in the Omnibus Objection without further notice or a hearing. If a Response is properly filed and served in accordance with the above procedures, a hearing on the Omnibus Objection and the Response will be held on October 27, 2010 at 3:00 p.m. (Eastern Daylight Time) (the "Hearing") before The Honorable Kevin J. Carey, United States Bankruptcy Court Judge for the District of Delaware, in the United States Bankruptcy Court, 824 North Market Street, 5<sup>th</sup> Floor, Courtroom 5, Wilmington, Delaware 19801. Only a Response made in writing and timely filed and received will be considered by the Bankruptcy Court at the Hearing.

## IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF DEMANDED BY THE OMNIBUS OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: August 31, 2010

Wilmington, Delaware

Respectfully submitted,

/s/ Zachary I. Shapiro

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

RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square 920 North King Street Wilmington, Delaware 19801

Telephone: (302) 651-7700 Facsimile: (302) 651-7701

- and -

WEIL, GOTSHAL & MANGES LLP Marcia L. Goldstein

Robert J. Lemons 767 Fifth Avenue New York, NY 10153

Telephone: (212) 310-8000 Facsimile: (212) 310-8007

ATTORNEYS FOR

**DEBTORS AND DEBTORS IN** 

**POSSESSION** 

## Exhibit A

#### THIRD OMNIBUS OBJECTION

#### **Exhibit A - Misclassified Claims (Substantive)**

	Name of Claimant	Claim Number	Asserted Priority Amount	Asserted Unsecured Amount	Modified Priority Amount	Modified Unsecured Amount	Reason for Reclassification
	ADVANCED DOOR SERVICE, INC.	333 <sup>1</sup>	\$930.33	\$0.00	\$13.60		The claim included services in the amount of \$916.73 that are not eligible for treatment under sec. 503(b)(9).
2	BRANT, RICHARD T	125	\$1,500.00	\$0.00	\$0.00		The claim is for services provided and not eligable for priority treatment under sec. 507(a)(4).

<sup>&</sup>lt;sup>1</sup>Indicates that claim is pending modification on the Debtors' Third Omnibus Objection (Substantive) to Improper Debtor Claims (exhibit B attached hereto).

## Exhibit B

#### THIRD OMNIBUS OBJECTION

#### **Exhibit B - Improper Debtor**

Name of Claimant	Claim	Claim	Asserted	Modified
	Number	Amount	Debtor	Debtor
1 ADVANCED DOOR SERVICE, INC.	333 <sup>1</sup>	\$930.33	Advanta Corp.	Advanta Shared Services Corp.

<sup>&</sup>lt;sup>1</sup>Indicates that claim is pending reclassification on the Debtors' Third Omnibus Objection (Substantive) to Misclassified Claims (exhibit A attached hereto).

## Exhibit C

## **Hertzberg Declaration**

## UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

	X	
	:	
In re	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
_	:	
Debtors. <sup>3</sup>	:	(Jointly Administered)
	:	
	X	

## DECLARATION OF JULIE HERTZBERG IN SUPPORT OF THIRD OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS (RECLASSIFIED AND RECATEGORIZED CLAIMS)

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

- 1. I am a Managing Director with Alvarez & Marsal North America, LLC ("A&M"). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.
- 2. The Debtors' ongoing claims reconciliation process involves the collective effort of a team of the Debtors' employees assembled from people specifically familiar with the Debtors' operations and liabilities. This team works together and in conjunction with the Debtors' counsel, Weil, Gotshal & Manges LLP, A&M, Richards, Layton & Finger, P.A., and

<sup>&</sup>lt;sup>3</sup> 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"), 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).

the Debtors' claims agent, Garden City Group, Inc., to review proofs of claim filed against the Debtors (each, a "Claim," and collectively, the "Claims"). In preparation of the Debtors' Third Omnibus Objection (Substantive) to Claims (Reclassified and Recategorized Claims) (the "Omnibus Objection"), the Debtors' advisors and personnel who are familiar with the information contained herein have reviewed (i) the Claims at issue in the Omnibus Objection that are listed on Exhibit A and Exhibit B attached thereto, (ii) the Debtors' books and records, and (iii) the Claims register. I have also personally reviewed the Omnibus Objection and the exhibits attached thereto. Accordingly, I am familiar with the information contained therein.

- 3. To the best of my knowledge, information and belief, the Claims listed on *Exhibit A* to the Omnibus Objection identify Claims for which the Debtors dispute the asserted priority or administrative expense status of the claims. In each instance, the asserted status of the Claim amount is unjustifiable. Accordingly, the Debtors request that each of the Third Omnibus Claims be reclassified, in whole or in part, to a general unsecured claim.
- 4. In addition, the Claim listed on *Exhibit B* to the Omnibus Objection has been filed against an incorrect Debtor, as identified in the column labeled "Asserted Debtor," and is properly asserted, if at all, against the Debtor identified in the column labeled "Modified Debtor."
- 5. Based on the foregoing, and to the best of my knowledge, information and belief, the information contained in the Omnibus Objection and exhibits thereto is true and correct.

6. I declare under penalty of perjury under the laws of the United States of

America that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 31, 2010

Wilmington, Delaware

By: <u>/s/ Jule Hertzberg</u> Julie Hertzberg

## Exhibit D

## **Proposed Order**

## UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

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In re	: Chapter 11	
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ADVANTA CORP., et al.,	: Case No. 09-13	931 (KJC)
	:	
Debtors. <sup>1</sup>	: (Jointly Admini	stered)
	:	
	: Re: Docket No	
	<b>v</b>	

## ORDER GRANTING THIRD OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS (RECLASSIFIED AND RECATEGORIZED CLAIMS)

Upon the third substantive omnibus objection, dated August 31, 2010 (the "Omnibus Objection"), of Advanta and its debtor affiliates, as debtors and debtors in possession in the above referenced chapter 11 cases (collectively, the "Debtors"), for entry of an order reclassifying a portion or all of the Third Omnibus Claims² as general unsecured claims, and recategorizing certain of the Third Omnibus Claims asserted against the wrong Debtor as asserted against the correct Debtor or Debtors, all as more fully set forth in the Omnibus Objection; and upon the Hertzberg Declaration, dated August 31, 2010; and this Court having jurisdiction to consider the Omnibus Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Omnibus Objection and the relief requested

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<sup>&</sup>lt;sup>1</sup> The Debtors in these cases jointly administered chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Advanta Corp. (2070) ("*Advanta*"), 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>&</sup>lt;sup>2</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Third Omnibus Objection.

therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Omnibus Objection having been provided to the Notice Parties, and no other or further notice being required; and the Court having determined that the legal and factual bases set forth in the Omnibus Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Omnibus Objection is granted; and it is further

ORDERED that each claim listed on *Exhibit 1* attached hereto is hereby reclassified as a general unsecured claim, to the extent set forth on *Exhibit 1*; and it is further

ORDERED that the claim listed on *Exhibit 2* attached hereto is hereby recategorized as a claim asserted against the modified Debtor on *Exhibit 2*, and the claimant listed on *Exhibit 2* shall have no claim against the asserted Debtor listed on *Exhibit 2* with respect to such claim; and it is further

ORDERED that Garden City Group, Inc. is authorized and directed to reclassify each Third Omnibus Claim as a general unsecured claim on the official claims registry in these chapter 11 cases and to make other changes to the official claims registry as necessary to reflect the terms of this Order; and it is further

ORDERED that the Omnibus Objection does not prejudice the rights of the Debtors, or any other party in interest, to object to the Third Omnibus Claims on any other grounds whatsoever, and the Debtors and other parties in interest retain all further substantive and/or procedural objections they may have with respect to any recategorized or surviving claims; and it is further

ORDERED that each objection by the Debtors to claims set forth on *Exhibit 1* 

and Exhibit 2 hereto constitutes a separate contested matter as contemplated by Bankruptcy Rule

9014 and Local Rule 3007-1; and it is further

ORDERED that this Order shall be deemed a separate Order with respect to each

claim set forth on Exhibit 1 and Exhibit 2 hereto and any stay of this Order pending appeal by

any holder of a claim whose claim is subject to this Order shall only apply to the contested

matter that involves such claimant and shall not act to stay the applicability and or finality of this

Order with respect to the other claims listed in the Omnibus Objection or this Order; and it is

further

ORDERED that this Court shall retain jurisdiction to hear and determine all

matters arising from the interpretation and/or implication of this Order.

Dated: \_\_\_\_\_\_\_, 2010 Wilmington, Delaware

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THE HONORABLE KEVIN J. CAREY CHIEF UNITED STATES BANKRUPTCY JUDGE

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