

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

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

**FEE AUDITOR’S FINAL REPORT REGARDING THE FIRST INTERIM
FEE APPLICATION OF WEIL, GOTSHAL & MANGES, LLP**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the First Interim Fee Application of Weil, Gotshal & Manges, LLP (the “Application”).

BACKGROUND

1. Weil, Gotshal & Manges, LLP (“Weil Gotshal”), was retained as counsel to the Debtors and Debtors-in-Possession. In the Application, Weil Gotshal seeks approval of fees totaling \$1,992,886.25 and expenses totaling \$43,962.14 for its services for the period from November 8, 2009 through March 31, 2010 (the “Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2010, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U.S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the

District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Weil Gotshal based on our review, and we received a response from Weil Gotshal, portions of which response are quoted herein.

DISCUSSION

General Issues

3. We note for informational purposes that during the Application Period, Weil Gotshal billed associate Haskell Murray at \$550 per hour and associate Jennifer Ganesh at \$455 per hour, even though neither had been admitted to the bar. We asked Weil Gotshal to explain why it was billing the time of these professionals at rates equal to or exceeding its other licensed associates.

Weil Gotshal provided the following response:

Haskell Murray was admitted into the State Bar of Georgia on November 30, 2009 and the Bar of the United States District Court for the Northern District of Georgia on April 30, 2007. Prior to his employment at Weil Gotshal, Haskell Murray clerked for Vice Chancellor Stephen P. Lamb of the Delaware Court of Chancery from August 2008 through July 2009. While working on the Debtors' chapter 11 cases, Haskell Murray's Bar Application for the State of New York was being processed by the Appellate Division of the New York State Supreme Court. Haskell Murray was admitted into the New York State Bar on April 7, 2010. Subsequent to graduating from the University of Chicago Law School in June of 2008, Jennifer Ganesh passed the July 2008 New York State Bar Examination and will be admitted to the New York State Bar on September 15, 2010. The procedure for application for admission into the New York State Bar can be a lengthy process and is subject to delays. However, both Haskell Murray and Jennifer Ganesh have the same qualifications and experience as their counterparts who have been admitted into the New York State Bar, therefore, it is appropriate to bill them out at Weil Gotshal's current rate for a second and third year associate, respectively.

We make no recommendation as to these hourly rates, but are merely bringing this issue to the Court's attention.

Specific Time and Expense Entries

4. We noted a number of instances in which multiple Weil Gotshal professionals

participated in the same conference calls. See Exhibit “A.” Paragraph II.D.5. of the U.S. Trustee Guidelines provides: “If more than one professional from the applicant firm attends a hearing or conference, the applicant should explain the need for multiple attendees.” We asked Weil Gotshal to explain why it was necessary for each attorney to be present, and Weil Gotshal’s response is included as Response Exhibit “1.” We accept Weil Gotshal’s response and have no objection to these fees.

5. We noted that on February 18, 2010, attorney Robert Lemons billed 0.8 hours for participating in a conference call with FTI, Latham & Watkins, and Alvarez & Marsal. However, attorney Victoria Vron appeared to have billed 8.3 hours for the same conference call.

02/18/10	Lemons, Robert	1.20	936.00	Participate in coordination call with FTI, Latham, Alvarez & Marsal, and V. Vron (.8); review committee protocol comments (.4).
02/18/10	Vron, Victoria	8.30	5,229.00	Participate in coordination call with FTI, Latham, Alvarez & Marsal and R. Lemons.

We asked Weil Gotshal whether there had been an error in Ms. Vron’s time. Weil Gotshal responded as follows:

The discrepancy between Mr. Lemons’ and Ms. Vron’s time entries on February 18, 2010 is the result of an inadvertent error in the narrative in Ms. Vron’s time entry. On February 18, 2010, both Ms. Vron and Mr. Lemons attended a conference call with FTI, Latham & Watkins, and A&M that lasted .8 of an hour. Ms. Vron attended this call while attending a meeting at the Debtors’ former headquarters in Springhouse, Pennsylvania (the “*Springhouse Facility*”). Ms. Vron’s time entry for February 18, 2010 should state “participate in conference call with FTI, Latham & Watkins, and A&M (.8); and attend meeting with the Debtors, A&M and FTI at the Springhouse Facility regarding liquidation forecast (7.5)”. Accordingly, Ms. Vron’s fees for the 8.3 hours were correctly billed.

We accept Weil Gotshal's response¹ and have no objection to these fees.

6. We noted that associate Hongan Tran (\$395) billed 3.10 hours for \$1,224.50 in fees reading background information on the case and summarizing the background of the case.

03/17/10	Tran, Hongan	0.30	118.50	Read background materials of case re: Advanta litigation.
03/18/10	Tran, Hongan	2.10	829.50	Read background information re: Advanta litigation.
03/26/10	Tran, Hongan	0.70	276.50	Summarize case background for G. Hull (.5); attend to phone calls and email with G. Hull re: same (.2).

Attorney Tran performed no other work on the case during the Application Period. We asked Weil Gotshal to explain how this work benefited the estate, and Weil Gotshal responded as follows: "We have reviewed the Fee Auditor's comments regarding Hongan Tran's time billed during the First Interim Period and agree to reduce our requested fees for the First Interim Period by \$1,224.50." We appreciate Weil Gotshal's response and recommend a reduction of \$1,224.50 in fees.

7. Ordinarily, if a professional bills three or more hours on a case in one day, we do not object to the individual's reimbursement request for an overtime meal or late night taxi home. However, we noted the following overtime meal and transportation charges incurred on dates when it appeared that the professional in question billed minimal or no time to the case:

12/04/09	Ganesh, Jennifer	15568993	50.96	. . . J. Ganesh - Taxi Home, 11/21/09	0.4 hrs. billed
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¹We confirmed that Ms. Vron did, in fact, travel to the Springhouse Facility on February 18 for a meeting. We also confirmed that her time spent attending the meeting was not recorded elsewhere in the Application.

12/29/09	Alcantar, Jose R.	15625126	17.28	. . . SeamlessWeb Meals from New York Thai Grill Ordered on 12/14/09 at 20:39	1.6 hrs. billed
12/31/09	Alcantar, Jose R.	15633099	16.66	. . . SeamlessWeb Meals from Tang Pavilion Ordered on 12/22/09 at 21:09	1.5 hrs. billed
01/28/10	Ganesh, Jennifer	15685944	34.78	. . . SeamlessWeb Meals Ordered on 01/05/10 at 18:07	1.2 hrs. billed
01/11/10	Goodman, Max A.	15650290	8.08	. . . 01/06/2010 Dinner Max Goodman Tax	0.1 hrs. billed
02/19/10	Ganesh, Jennifer N.	15737490	47.27	. . . Taxi/Car Service Feb 13, 2010 - Weekend Cab Ride - From/To: From/Office	0.0 hrs. billed
02/08/10	Ganesh, Jennifer N.	15720720	67.53	. . . Ride Date: 2009-12-21 from: M New York 767 5 Ave to: Queens St Ride time: 21:15	0.0 hrs. billed
02/10/10	Sagot, Jonathan L.	15747381	61.43	. . . Ride Date: 2010-01-31 From: M 767 5 Ave to: Queens Ride Time: 21:00	0.0 hrs. billed
02/04/10	Ganesh, Jennifer N.	15705578	30.12	. . . SeamlessWeb Meals Ordered on 01/28/10 at 18:16	0.0 hrs. billed
03/29/10	Coursant, Caroline S.	15819979	10.20	. . . 03/17/2010 Dinner Caroline S Coursant Tax	0.6 hrs. billed
03/31/10	Gelfand, Joshua A.	14833441	35.00	. . . SeamlessWeb Meals Ordered on 03/23/10 at 18:46	1.8 hrs. billed
			379.31		

We asked Weil Gotshal to explain why the estate should reimburse these expenses, and Weil Gotshal responded:

As a matter of policy, Weil Gotshal does not agree that an attorney is only eligible for reimbursement for the cost of dinner or transportation if they have worked on a matter for three hours or more. There are circumstances when an emergency will arise in a particular matter which will require an attorney to begin work for a client in the evening. Consequently, the attorney may be forced to eat dinner at the office and travel home at 8:30 p.m. or later. In these circumstances, Weil Gotshal believes that, if an attorney has to stay in the office during the evening to work on a particular client's case, such client should be billed for the attorney's meal and/or

transportation costs regardless of how many hours the attorney billed to that particular client for the day. However, in light of the relatively small amounts that the Fee Auditor references in paragraph 7 to the Initial Report, Weil Gotshal agrees to reduce its expenses for the First Interim Period by \$379.91.

We appreciate Weil Gotshal's response and recommend a reduction of \$379.31² in expenses.

8. We noted the following expense which was incurred prior to November 8, 2009, the date on which the Debtor's bankruptcy petition was filed:

11/30/09	Alcantar, Jose R. 15554376	\$35.00
	Attorney Meals	
	Seamless Web Meals Ordered on 11/04/09 at 12:23	

In response to our inquiry, Weil Gotshal agreed to reduce its expenses by \$35.00. We appreciate Weil Gotshal's response and recommend a reduction of \$35.00 in expenses.


CONCLUSION

9. Thus, we recommend approval of \$1,991,661.75 in fees (\$1,992,886.25 minus \$1,224.50) and \$43,547.83 in expenses (\$43,962.14 minus \$414.31) for Weil Gotshal's services for the Application Period.

²Although Weil Gotshal agreed to an expense reduction of \$379.91, the total cost of the questioned expenses was \$379.31.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 


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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 21st day of September, 2010.



Warren H. Smith

SERVICE LIST
Notice Parties

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EXHIBIT “A”

a. We noted that on January 7, 2010, attorneys Martin Pollack (\$990), Stuart Goldring (\$990), Joshua Pohl (\$550), Max Goodman (\$665), and Victoria Vron (\$630) attended conference calls with the debtor concerning tax issues. The total time spent was 14.40 hours, for total fees of \$10,744.00.

01/07/10	Pollack, Martin	2.30	2,277.00	TELECONFERENCE WITH CLIENTS AND GALLAGHER RE: TAX ISSUE (1.1); TELECONFERENCE WITH CREDITORS COMMITTEE RE SAME (1.2);
01/07/10	Goldring, Stuart	2.70	2,673.00	. . . ; PARTICIPATE IN CONFERENCE CALL WITH CLIENT AND WGM TEAM RE: TAX AND OTHER TAX MATTERS (1.1); FURTHER CALL WITH WGM TEAM RE: TAX ISSUES (.4); PARTICIPATE IN CONFERENCE CALL WITH LATHAM & WATKINS TAX AND FTI AND WGM TEAM RE: SAME (1.2);
01/07/10	Pohl, Joshua	3.00	1,650.00	CONFERENCE WITH WEIL ADVANTA TEAM RE: TAX ISSUES (1.8); CONFERENCE WITH LATHAM & WATKINS, CLIENT, FTI AND WEIL ADVANTA TEAM RE: TAX ISSUES (1.2);
01/07/10	Goodman, Max	3.20	2,128.00	. . . ; PARTICIPATE IN CONFERENCE CALL WITH WGM TEAM AND CLIENT RE: TAX ISSUES (1.2); PARTICIPATE IN CONFERENCE CALL WITH WGM TEAM RE: TAX ISSUES (.5); CONFERENCE CALL WITH WGM TEAM AND LATHAM RE: TAX ISSUES (1.5).
01/07/10	Vron, Victoria	3.20	2,016.00	PREPARE FOR CALL RE: NOL ISSUES (.5); CALL WITH CLIENT AND TAX TEAM RE: NOLS (1.4); CALL WITH TEAM AND LATHAM RE: SAME (1.3);
		14.40	10,744.00	

b. We noted that on February 4, 2010, attorneys Richard Levine (\$885), Stuart Goldring (\$990), Joshua Pohl (\$550), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) met with J. Bondi re tax issues. The total time spent was 12.20 hours for total fees of \$9,053.50.

02/04/10	Levine, Richard	1.60	1,416.00	. . . ; attend client meeting re: strategy (1.6).
02/04/10	Goldring, Stuart	2.20	2,178.00	. . . ; internal meeting with R. Levine, V. Vron, M. Goodman, J. Pohl and J. Bondi re: tax planning (2.2); . . .
02/04/10	Pohl, Joshua	2.10	1,155.00	Meet with J. Bondi, R. Levine, R. Lemons, S. Goldring, M. Goodman and V. Vron re: tax planning (2.1); . . .
02/04/10	Lemons, Robert	1.70	1,326.00	Meet with J. Bondi WGM team re: tax planning issues.
02/04/10	Goodman, Max	2.30	1,529.50	. . . ; Meeting with S. Goldring, J. Pohl, R. Levine, R. Lemons, V. Vron, and J. Bondi re: tax issues (2.3); . . .
02/04/10	Vron, Victoria	2.30	1,449.00	Meet with WGM team and J. Bondi re: tax planning issues.
		12.20	9,053.50	

c. We noted that on February 8, 2010, attorneys Stuart Goldring (\$990), Joshua Pohl (\$550), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) participated in two conference calls regarding tax strategy. The total time spent was 16.10 hours for \$11,740.50 in fees.

02/08/10	Goldring, Stuart	3.40	3,366.00	Call with W. Rosoff, J. Dubow, P. Browne, Alvarez & Marsal, and others at WGM re: tax planning alternatives (1.7); . . . ; participate in conference call with Latham, J. Bondi, L. Albert, T. Gallagher, M. Goodman and J. Pohl re: same (1.7); . . .
02/08/10	Pohl, Joshua	3.10	1,705.00	Call re: tax strategy with T. Gallagher, Latham, J. Bondi, L. Albert, S. Goldring, M. Goodman and Alvarez & Marsal analysis of re: tax agreement (1.5); call with Latham, L. Albert, and Weil tax team re: tax issues (1.6); . . .
02/08/10	Lemons, Robert	3.00	2,340.00	Call with W. Rosoff, J. Dubow, P. Browne, J. Bondi, WGM Team, T. Gallagher and L. Albert re: tax issues (1.6); . . . ; call with WGM tax team and Latham Tax re: tax issues (1.4).
02/08/10	Goodman, Max	4.90	3,258.50	. . . ; conference call with S. Goldring, J. Pohl, Latham, J. Bondi, L. Albert and T. Gallagher re: tax agreement analysis (1.8); . . . ; conference call with WGM tax team, Alvarez & Marsal, client, Latham, and FTI re: tax issues (3.1)
02/08/10	Vron, Victoria	1.70	1,071.00	Call with Advanta, WGM tax team, and Alvarez & Marsal re: tax strategy.
		16.10	11,740.50	

d. We noted that on February 23, 2010, attorneys Stuart Goldring (\$990), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) participated in a conference call. The total time spent was 18 hours, for total fees of \$13,755.50.

02/23/10	Goldring, Stuart	4.50	4,455.00	Internal meeting in preparation for meeting with committee professionals (.7); meeting with committee professionals re: tax planning alternatives (3.8); . . .
02/23/10	Lemons, Robert	4.30	3,354.00	Meet with P. Browne, Alvarez & Marsal, FTI, Latham and WGM team re: tax filing (4.3); . . .
02/23/10	Goodman, Max	4.30	2,859.50	Meet with WGM team, P. Browne, Alvarez & Marsal, FTI, and Latham re: tax issues (4.3);

02/23/10	Vron, Victoria	4.90	3,087.00	Meet with Weil's tax team, Alvarez & Marsal, Latham and FTI re: tax analysis issues.
		18.00	13,755.50	

e. We noted that on March 12, 2010, attorneys Richard Levine (\$885), Stuart Goldring (\$990), Robert Lemons (\$780), Max Goodman (\$665), Victoria Vron (\$630), and Debora Hoehne (\$515) participated in a conference call with Latham & Watkins. The total time spent was 15.1 hours for \$11,656.00 in fees.

03/12/10	Lemons, Robert	2.0	1,560.00	. . . ; call with Latham & Watkins, FTI, A. Sagot, P. Browne, J. Dubow and WGM team re: same (2.0).
03/12/10	Goodman, Max	3.0	1,995.00	. . . ; discuss tax issues with WGM team, Alvarez & Marsal, FTI, and Latham & Watkins (3.0).
03/12/10	Vron, Victoria	2.4	1,512.00	. . . ; call with client WGM team re: same (1.0); call with Latham & Watkins, FTI, Alvarez & Marsal and Weil's tax and litigation teams re: same (1.4); . . .
03/12/10	Hoehne, Debora	2.0	1,030.00	. . . ; call with Latham & Watkins re: tax-related litigation (2.0); . . .
03/12/10	Levine, Richard	0.8	708.00	Participate on call re ABC Motion (.8); . . .
03/12/10	Goldring, Stuart	4.9	4,851.00	Participate on conference call intern Ally re: ABC motion (1.2); participate on calls with Debtor (1.0), Creditors' Committee Advisors (1.5) and again with debtor and follow-up re: ABC Motion (1.2); . . .
		15.10	11,656.00	

RESPONSE EXHIBIT 1

The fees incurred in connection with the meetings referenced by the Fee Auditor in **Exhibit A** to the Initial Report were all necessary and beneficial to the Debtors' estates. The First Interim Period was a crucial and very busy period in Debtors' chapter 11 cases. During the First Interim Period, it was appropriate to have multiple Weil Gotshal attorneys attend meetings amongst themselves or with the Debtors' and/or the Debtors' professionals to discuss issues central to the Debtors' chapter 11 cases. These issues included: (1) whether or not the Debtors should make certain tax elections in their 2009 tax returns, and (2) issues relating to tax planning in connection with the Debtors' proposed chapter 11 plan. The resolution of these issues will have a significant impact on the Debtors' estates. The Debtors' tax issues are very complex and involve many intricate issues that require the input of multiple tax attorneys who maintain an expertise in different areas of tax law. Moreover, as reflected in the litigation that has been pending for the past five months with the Federal Deposit Insurance Corporation (the "**FDIC**"), as receiver for Advanta Bank Corp. ("**ABC**"), the Debtors' wholly owned bank subsidiary, the decision regarding the making of certain tax elections (the "**FDIC Litigation**") was one of the pivotal issues in these cases because it impacts the recovery to the Debtors' creditors significantly and was likely to be (and in fact was) challenged. As explained in pleadings filed in this case in the FDIC Litigation (*see Adversary Proceeding*, Case No. 10-50795), if Advanta made certain elections to carry back the affiliated group's operating loss for 2009, that election would have resulted in an assertion of a claim of up to approximately \$170 million by ABC against Advanta's estate. Accordingly, the Debtors, the creditors' committee (the "**Committee**"), and their professionals had extensive meetings internally and with each other to analyze and strategize with respect to the making of these tax elections. Consideration of the

elections and their consequences involved extensive analysis of the intersection between tax, bankruptcy and FDIC receivership law and potential litigation consequences of the elections. Each Weil Gotshal attorney who attended a meeting or conference call played a distinct role and their services were not duplicated. The meetings and conference calls identified in **Exhibit A** to the Initial Report are specifically addressed below:

a. ...We note that on January 7, 2010, attorneys Martin Pollack (\$990), Stuart Goldring (\$990), Joshua Pohl (\$550), Max Goodman (\$665), and Victoria Vron (\$630) attended conference calls with the debtor concerning tax issues. The total time spent was 14.40 hours, for total fees of \$10,744.00.

Each Weil Gotshal attorney who attended this conference call played a different and distinct role during the call. Martin Pollack and Stuart Goldring are both partners in Weil Gotshal's tax department (the "*Tax Department*"). It was necessary for two tax partners to participate on the conference call because the subject of the call required varying expertise in tax law. For example, Mr. Goldring advised the Debtors regarding the tax elections and general tax strategy in this case, while Mr. Pollack advised the Debtors on tax implications of a certain partnership interest that is an asset of some of the Debtors' estates. Joshua Pohl and Max Goodman are two associates in the Tax Department who work with Mr. Goldring and Mr. Pollack and who need to stay current on the Debtors' tax issues as they are responsible for researching and analyzing the tax issues that have arisen or will arise in these chapter 11 cases. They also provided input on the call from their research and analysis. Additionally, Victoria Vron is a senior associate in Weil Gotshal's Business Finance & Restructuring Department ("*BFR*"). Her participation on the conference call was necessary in order to analyze the impact of certain tax decisions on the Debtors' chapter 11 cases. The participation of each Weil Gotshal attorney on the conference call conducted on January 7, 2010 was

appropriate and necessary and, therefore, the fees for this conference call should be allowed in the full amount of \$10,744.00.

b. ... We note that on February 4, 2010 attorneys Richard Levine (\$885), Stuart Goldring (\$990), Joshua Pohl (\$550), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) met with J. Bondi re tax issues. The total time spent was 12.20 hours for total fees of \$9,053.50.

As noted above, Mr. Goldring is a partner in the Tax Department, Mr. Goodman is a senior associate in the Tax Department, and Ms. Vron is a senior associate in BFR. Additionally, Richard Levine is a partner in Weil Gotshal's litigation group (the "*Litigation Group*") and Robert Lemons is a partner in BFR. Attendance of Weil Gotshal's litigation, tax, and BFR attorneys was necessary in meetings with the Debtors and the Debtors' professionals, including Joseph Bondi of Alvarez & Marsal ("*A&M*"), the Debtors' financial advisor, because during these meetings the Debtors' professionals were developing a strategy in connection with the making of certain tax elections, which are discussed above, and analyzing the possible litigation risks of such elections and their effect on the Debtors' chapter 11 cases.

c. ... We note that on February 8, 2010, attorneys Stuart Goldring (\$990), Joshua Pohl (\$550), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) participated in two conference calls regarding tax strategy. The total time spent was 16.10 hours for \$11,740.50 in fees.

Attendance of multiple Weil Gotshal attorneys was necessary on the conference calls conducted on February 8, 2010 because during these calls the Debtors' professionals conferred with Latham & Watkins ("*Latham & Watkins*"), attorneys for the Committee, regarding the tax elections discussed above. As mentioned above, decisions regarding the Debtors' tax issues would have a

significant impact on the creditor recovery in these chapter 11 cases. Therefore, it was necessary to have attorneys from BFR and the Tax Department on the conference calls. Participation of Mr. Goldring (partner, Tax Department), Mr. Goodman (senior associate, Tax Department), Mr. Pohl (senior associate, Tax Department), Mr. Lemons (partner, BFR) and Ms. Vron (senior associate, BFR) on the conference call held on February 8, 2010 was necessary and appropriate and the fees for this meeting should be allowed in the full amount of \$11,740.50.

d. ...We note that on February 23, 2010, attorneys Stuart Goldring (\$990), Robert Lemons (\$780), Max Goodman (\$665), and Victoria Vron (\$630) participated in a conference call. The total time spent was 18 hours, for total fees of \$13,755.50.

Multiple attorneys from Weil Gotshal first met with the Debtors and the Debtors' professionals to prepare for issues that were to be discussed at a meeting with the Committee and their various professionals. Both the internal meeting and the subsequent meeting with the Committee involved discussions of the tax elections that the Debtors proposed to make in their March 2010 tax return filing. It was necessary for a tax partner from Weil Gotshal, Mr. Goldring, and a BFR partner, Mr. Lemons, to attend both (1) the meeting in preparation for the Committee meeting, and (2) the meeting with the Committee and their various professionals because Mr. Goldring has an expertise in the tax decisions that were being made and Mr. Lemons has the expertise in the bankruptcy issues that were discussed at both meetings. It was also necessary for Mr. Goodman, a senior associate in the Tax Department, and Ms. Vron, a senior associate in BFR, to attend the preparatory meeting and the Committee meeting as they are significantly involved in conducting the Debtors' chapter 11 cases and the issues that were being discussed at the meetings. The participation of each Weil Gotshal attorney at the Committee meeting held on February 23,

2010 and the internal pre-meeting was necessary and appropriate and, therefore, the fees for this meeting should be allowed in the full amount of \$13,755.50.

e. ...We note that on March 12, 2010, attorneys Richard Levine (\$855), Stuart Goldring (\$990), Robert Lemons (\$780), Max Goodman (\$665), Victoria Vron (\$630), and Debora Hoehne (\$515) participated in a conference call with Latham & Watkins. The total time spent was 15.1 hours for \$11,656.00 in fees.

This conference call was conducted in response to ABC's Motion to Extend Emergency Motion of Advanta Bank Corp. for Entry of an Order Compelling Debtor Advanta Corp. to (I) Timely File a Request for an Extension of Time to File 2009 Consolidated Federal Income Tax Return; or, in the Alternative, (II) Elect to Carry Bank 2009 Consolidated Net Operating Losses Five Years [Docket No. 323] filed on March 12, 2010 (the "*Tax Election Motion*"). The Tax Election Motion required a response to be filed by the Debtors within a matter of days (the "*Response*"). In fact, the Debtors did file the Response on March 15, 2010 [Docket No. 332]. If the relief sought in the Tax Election Motion had been granted, it would have had a significant negative impact on the Debtors' estates and would have altered the strategy that the Debtors planned to take during the course of these chapter 11 cases.

Because filing the Response was time sensitive and required advice on the intersection of tax law and bankruptcy law, the Debtors conducted an "all hands" conference call attended by a partner from the Litigation Group, Mr. Levine, a partner from the Tax Department, Mr. Goldring, a BFR partner, Mr. Lemons, an associate from the Tax Department, Mr. Goodman, and two BFR associates, Ms. Hoehne and Ms. Vron, along with Latham & Watkins. It was necessary for multiple Weil Gotshal attorneys to attend this meeting because their input was required to develop a strategy for responding to the Tax Election Motion as it involves tax and bankruptcy issues. Furthermore,

Ms. Hoehne and Ms. Vron were responsible for drafting the Response on a compressed timeframe, making their presence on the conference call necessary. Mr. Goodman's presence was necessary on the conference call because his assistance was required by Ms. Hoehne and Ms. Vron in drafting the tax aspects of the Response. The conference call with Latham Watkins was necessary in order to formulate a coordinated strategy in responding to the Tax Election Motion.