

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

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

**FEE AUDITOR’S FINAL REPORT REGARDING THE FIRST INTERIM  
FEE APPLICATION OF FTI CONSULTING, INC.**

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 FTI Consulting, Inc. (the “Application”).

**BACKGROUND**

1. FTI Consulting, Inc. (“FTI”), was retained as financial advisor to the Official Committee of Unsecured Creditors (the “Committee”). In the Application, FTI seeks approval of fees totaling \$907,102.50<sup>1</sup> and expenses totaling \$6,201.29 for its services for the period from November 24, 2009 through March 31, 2010 (the “First Interim Period” or 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

---

<sup>1</sup>FTI’s fee request reflects a voluntary reduction of \$5,000.00. See Paragraph 3, *infra*.

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 FTI based on our review, and we received a response from FTI, portions of which response are quoted herein.

## **DISCUSSION**

### General Issues

3. In our initial report, we noted that Footnote 2 of the Application reads as follows: “In response to an inquiry raised by the Office of the United States Trustee, FTI has agreed to reduce its fees by \$5,000.00. With this agreed upon reduction, the Office of the United States Trustee has no objection to the Applications.” In response to our request, FTI provided the following additional information concerning this voluntary reduction:

This voluntary reduction was taken as a result of the concerns raised by the UST for the time spent by FTI on conflict check. FTI provided a break-down of how much of the time was spent on performing actual conflict checks (basis for reduction) versus how much of the time was spent on preparing court exhibits and reviewing such exhibits (allowable). As a result of this analysis, FTI and UST both agreed upon a reduction of \$5,000.00. Please see . . . Exhibit A for more detail.

We appreciate FTI’s response and have attached FTI’s explanation for how the \$5,000.00 reduction was calculated as Response Exhibit “A.” We address this issue in greater detail in Paragraph 6 of our report.

4. In our initial report, we noted that, according to Paragraph 13 of FTI’s retention application, FTI’s fee schedule at the time of its retention was as follows:

Senior Managing Directors . . . . . \$710-825

Directors / Managing Directors . . . . .	\$520-685
Consultants / Senior Consultants . . . . .	\$255-480
Administrative / Paraprofessionals . . . . .	\$105-210

The foregoing rates were in effect through the end of December 2009.<sup>2</sup> During the months of November and December 2009, FTI billed 23.8 hours of time of Administrative Paraprofessional Marili Hellmund-Mora at \$250.00 per hour, whereas, the rate range for this position was \$105 to \$210 per hour. Thus, it appeared that FTI had overbilled for Marili Hellmund-Mora’s time. In response to our inquiry on this issue, FTI stated:

FTI’s retention application contained an incorrect hourly billing rate range for paraprofessionals. The high end of this range should have been \$250/hr, not \$210/hr. However, because this was an error on FTI’s part, we propose a reduction of \$952 to reflect the \$210/hr billing rate for the months of November and December 2009.

We appreciate FTI’s response and recommend a reduction of \$952.00<sup>3</sup> in fees.

5. We noted that during the Application Period, FTI billed a total of \$29,084.50 in fees for fee application preparation. This computes to 3% of FTI’s total fee request of \$912,102.50.<sup>4</sup> We also noted that most of the time billed for fee application preparation was billed by professionals Park and Chen at hourly rates of \$585 and \$355, respectively. Section 330(a)(6) of the Code provides that “[a]ny compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application.” We asked FTI to explain the

---

<sup>2</sup>We note that, effective January 1, 2010, there was an increase in FTI’s hourly rates.

<sup>3</sup>The difference between 23.8 hours billed at the rate of \$250 per hour (\$5,950.00) and 23.8 hours billed at the rate of \$210 per hour (\$4,998.00) is \$952.00.

<sup>4</sup>For purposes of this computation, we used the total amount of FTI’s fee request prior to its voluntary \$5,000.00 reduction referenced in Paragraphs 3 and 6 of this report.

nature of the fee application tasks performed by professionals Park and Chen and to explain why this work should be compensated at the professionals' full hourly rates. FTI provided the following response:

Ms. Park's time on preparation of fee applications related to developing an initial template for monthly fee applications, educating Ms. Chen on case activities and requirements for monthly fee applications for this case, and performing detailed review of the fee applications to ensure they were prepared properly and to ensure that time descriptions do not contain any confidential, non-public information since fee applications are publicly filed. Ms. Chen's time on preparation of fee applications related to becoming familiar with case issues needed to prepare monthly fee applications and actually preparing monthly fee applications. Because Ms. Chen has become fully capable of preparing fee applications for this case without much guidance, Ms. Park's time, after this fee application period, will be significantly lower and will relate primarily to review of time detail to ensure no confidential information is contained in fee applications.

Work performed by Ms. Park and Ms. Chen on preparation of fee applications should be compensated at their full hourly rates because of the need to prepare and review fee applications with appropriate case knowledge, especially with respect to review of professional time details.

Based on the fact that this is the first interim application period in the case, we accept FTI's response. However, we will continue to monitor this issue in FTI's future fee applications. For the current Application Period, we have no objection to these fees.

#### Specific Time and Expense Entries

6. In our initial report, we noted that between November 24, 2009 and December 15, 2009, FTI billed a total of 59.7 hours for \$17,157.00 in fees on work pertaining to conflict checks. See Exhibit "A." Ordinarily, time spent performing the initial conflict check required as a condition of a firm's employment is not compensable. See *In re ACT Manufacturing, Inc.*, 281 B.R. 468, 490 (Bankr.D.Mass. 2002); *In re Sterling Chemicals Holdings, Inc.*, 293 B.R. 701, 704 (Bankr. S.D.Tex. 2003). Such preliminary conflict checks do not benefit the estate. We asked FTI to explain why

these fees should be compensated by the estate, and, in addition, to explain why these tasks required so much time to complete. FTI responded as follows:

FTI has a standard conflict process that is more general and simpler than the requirements of the bankruptcy courts. For all its engagements, FTI performs its standard conflict check, for which it does not bill the client. However, for bankruptcy cases, FTI performs an additional conflict check for court disclosure, which is much more extensive and detailed than FTI's standard procedure, involving a review of hundreds of parties in interest, checking every single party in FTI's client database, flagging and reviewing parties for potential court disclosure, and preparing court documents and exhibits. This is a very manual and time-consuming process that FTI would not typically perform but solely for court disclosure purposes. As a result, FTI typically bills conflict check time relating solely to bankruptcy court disclosure to the estate.

Most of the time descriptions in the fee applications did not fully specify whether each task related to standard conflict check or to the preparation of court disclosure, which was the issue discussed with the UST. FTI prepared a break-down of such time descriptions for the UST by each category and took a voluntary reduction of \$5,000 for the tasks relating to standard conflict check . . . Please see (Response) Exhibit A for more detail.

We appreciate FTI's response and recommend no further reduction beyond the \$5,000.00 reduction to which FTI and the U.S. Trustee have agreed.

7. We noted a number of instances in which multiple FTI professionals attended meetings and conference calls with the debtors. See Exhibit "B." We also noted several instances in which multiple FTI professionals attended meetings and conference calls with the Committee. See Exhibit "C." 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." Similarly, Local Rule 2016-2(d)(ix) provides: "The activity descriptions shall individually identify all meetings and hearings, each participant, the subject(s) of the meeting or hearing and the participant's role; . . ." We asked FTI to explain why it was necessary for each professional to be present. FTI provided the following response:

It is necessary for FTI to attend most meetings and calls with core engagement members to ensure everyone is up-to-speed on case issues, which will ensure efficiency and cost-effectiveness. If any of the core members did not participate in meetings, a follow-up meeting at a later date would be required to educate such a member on key issues, which would be inefficient and repetitive. The core members include: Mr. Scruton (lead Senior Managing Director), Ms. Park (day to day manager), and Mr. Kream<sup>5</sup>/Ms. Chen (day to day analysts).

This case involves specific issues that require the expertise of FTI's specialists. Engaging specialists ensures that such issues are addressed in the most effective and efficient manner and that FTI can provide the best services to the client. To the extent that meetings and calls involved discussions of specific issues requiring FTI's specialists, then the specialists were invited to attend. FTI's specialists include: Mr. Nolan (FDIC/regulatory issues), Mr. Joffe (tax), and Mr. Hershman (insurance).

It is FTI's internal practice to try to limit meeting attendance at 4 professionals at a time. However, when it is important for more than 4 professionals to attend, all professionals would attend and FTI may voluntarily write off the time associated with additional professionals, if deemed appropriate. A total of \$8,163.50 in reductions has already been voluntarily taken by FTI. See Exhibit B for more detail.

Please see Exhibit C for FTI's detailed responses to the Fee Auditor's exhibit B and C. This details \$5,655.50 of reductions (out of \$8,163.50 total) relating to the specific meetings flagged by the Fee Auditor.

We have attached the charts mentioned in FTI's response as Response Exhibits "B" and "C."<sup>6</sup> We accept FTI's response and have no objection to these fees.

8. We noted the following meal charge for which more information was needed:

01/28/2010	William J. Nolan	Meals - Out of town dinner with self.	70.00
------------	------------------	---------------------------------------	-------

In response to our inquiry, FTI stated that the dinner charge was incurred in New York City. Thus,

---

<sup>5</sup>Mr. Kream is no longer with FTI.

<sup>6</sup>We note that FTI made the reductions listed in Response Exhibits "B" and "C" prior to submission of its monthly fee statements.

we have no objection to this expense.<sup>7</sup>

### CONCLUSION

9. Thus, we recommend approval of \$906,150.50 in fees (\$907,102.50 minus \$952.00) and \$6,201.29 in expenses for FTI's services for the Application Period.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By:  \_\_\_\_\_

Warren H. Smith  
Texas State Bar No. 18757050

325 N. St. Paul Street, Suite 1250  
Dallas, Texas 75201  
214-698-3868  
214-722-0081 (fax)  
whsmith@whsmithlaw.com

**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 21<sup>st</sup> day of September, 2010.



Warren H. Smith

---

<sup>7</sup>Effective January 1, 2010, we began recommending a per person dinner guideline of \$70 in New York City.

**SERVICE LIST**  
Notice Parties

**Applicant**

Andrew Scruton  
FTI Consulting, Inc.  
Three Times Square  
New York, NY 10036

[andrew.scruton@fticonsulting.com](mailto:andrew.scruton@fticonsulting.com)

**U.S. Trustee**

David Klauder  
Office of the United States Trustee  
District of Delaware  
844 King Street, Suite 2207  
Lockbox 35  
Wilmington, DE 19801

**Debtors**

Philip M. Browne  
Advanta Corp.  
P.O. Box 844  
Spring House, PA 19477

**Debtor's Counsel**

Robert L. Lemons  
Weil, Gotshal & Manges, LLP  
767 Fifth Avenue  
New York, NY 10153

Chun I Jang  
Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, DE 19801

**Counsel to Official Committee of  
Unsecured Creditors**

Mitchell A. Seider  
Roger G. Schwartz  
Latham & Watkins LLP  
885 Third Avenue, Suite 1200  
New York, NY 10022-4834

Howard A. Cohen  
Drinker Biddle & Reath LLP  
1100 N. Market Street, Suite 1000  
Wilmington, DE 19801



**EXHIBIT “A”**

*(See attached Excel spreadsheet.)*

## EXHIBIT "B"

a. We noted that on December 9 and 16, 2009, professionals Kream (\$350), Nolan (\$825), Park (\$455), and Scruton (\$825) attended meetings with debtor's management. The total time spent was 27.4 hours, for total fees of \$16,855.00.

12/9/2009	Kream, Benjamin	4.1	350	1,435.00	In-person meeting with management and UCC.
12/9/2009	Nolan, William J.	3.4	825	2,805.00	In-person meeting with management and UCC.
12/9/2009	Park, Ji Yon	1.0	455	455.00	Participate in the kick-off meeting with the debtors and committee (partial attendance).
12/9/2009	Scruton, Andrew	2.9	825	2,392.50	Meeting at Weil to discuss case status with management and UCC.
12/9/2009	Kream, Benjamin	1.0	350	350.00	Participate in planning meeting for UCC meeting with Latham.
12/9/2009	Nolan, William J.	1.0	825	825.00	Conference call with UCC and Debtors.
12/16/2009	Kream, Benjamin	3.5	350	1,225.00	Prepare for and participate in meetings with Debtor at Spring House offices.
12/16/2009	Nolan, William J.	3.5	825	2,887.50	Prepare and participate in site meeting with Debtors.
12/16/2009	Park, Ji Yon	3.5	455	1,592.50	In-person meeting with management and A&M re: diligence items and case issues.
12/16/2009	Scruton, Andrew	3.5	825	2,887.50	Prepare and participate in site meeting with Debtors.
		<b>27.4</b>		<b>16,855.00</b>	

b. We noted that on January 28, 2010, professionals Nolan (\$885), Park (\$585), and Scruton (\$885) attended a meeting with debtors. The total time spent was 17 hours, for total fees of \$13,245.00.

01/28/10	Nolan, William J.	5.5		4,867.50	Meeting with Debtors re: case issues.
01/28/10	Park, Ji Yon	1.0		585.00	Prepare for meeting with management.
01/28/10	Park, Ji Yon	2.0		1,170.00	Meeting with management re: case issues to date and other related matters.
01/28/10	Park, Ji Yon	3.0		1,755.00	Continued meeting with management re: tax issues, CRO issues and case strategies.
01/28/10	Scruton, Andrew	5.5		4,867.50	Meeting with Debtors re: case issues.

**17.0 13,245.00**

c. We noted that on February 18, 2010, professionals Chen (\$355), Park (\$585), and Scruton (\$885) attended a meeting with the debtors. The total time spent was 7 hours, for total fees of \$12,775.00.

02/18/10	Chen, Iris	7.0	355.00	2,485.00	Meeting with Debtor and A&M at Company office re: liquidation plan.
02/18/10	Park, Ji Yon	3.5	585.00	2,047.50	On-site meeting with the Debtors and their advisors re: liquidation forecast and related case issues.
02/18/10	Park, Ji Yon	3.5	585.00	2,047.50	On-site meeting with the Debtors and their advisors re: employee plan and other related issues.
02/18/10	Scruton, Andrew	7.0	885.00	6,195.00	Meetings at the Company premises re: liquidation plan.
		<b>21.0</b>		<b>12,775.00</b>	

d. We noted that on March 1, 2010, professionals Chen (\$355), Park (\$585), and Scruton (\$885) attended a meeting with the debtors. The total time spent was 13.5 hours, for total fees of \$8,212.50.

03/01/10	Chen, Iris	4.5		1,597.50	All-hands meeting at Latham to discuss liquidation plan and tax issues.
03/01/10	Park, Ji Yon	4.5		2,632.50	Meet with the Debtors and UCC to discuss tax issues and status of liquidation plan.
03/01/10	Scruton, Andrew	4.5		3,982.50	Meeting with Debtors and follow up with Debtors' professionals.
		<b>13.5</b>		<b>8,212.50</b>	

e. We noted that on March 10, 2010, professionals Joffe (\$885), Nolan (\$885), Park

(\$585), and Scruton (\$885) attended a meeting with the debtor. The total time spent was 15.8 hours, for total fees of \$12,783.00.

03/10/10	Joffe, Steven	4.5	3,982.50	885.0	Meeting with company, Weil and counsel re: tax issues.
03/10/10	Nolan, William J.	2.5	2,212.50	885.0	Prepare for and participate in conference call with the UCC and the Debtor re: tax issues [partial attendance].
03/10/10	Park, Ji Yon	4.0	2,340.00	585.0	Meeting with the debtors to discuss tax issues.
03/10/10	Scruton, Andrew	4.8	4,248.00	885.0	Meeting with Debtors re: tax issues.
		<b>15.8</b>	<b>12,783.00</b>		

**EXHIBIT “C”**

a. We noted that on January 22, 2010, professionals Joffe (\$885), Park (\$585), and Scruton (\$885) attended a telephonic committee meeting. The total time spent was 3.4 hours, for total fees of \$3,594.00.

01/22/10	Joffe, Steven	1.0	885.00	Tele/con with committee re: tax and other case issues.
01/22/10	Park, Ji Yon	1.0	585.00	Committee call re: meeting with the debtors.
01/22/10	Scruton, Andrew	2.4	2,124.00	Call with UCC and follow ups with Committee members and Counsel.
		<b>4.4</b>	<b>3,594.00</b>	

b. We noted that on January 27, 2010, professionals Hershman (\$660), Joffe (\$885), Park (\$585), Scruton (\$885), and Chen (\$355) attended a committee conference call. The total time spent was 7 hours, for total fees of \$4,727.50.

01/27/10	Hershman, Richard	1.5	990.00	Preparation for and call with UCC on asset sales.
01/27/10	Joffe, Steven	1.0	885.00	Committee call; discussion regarding tax materials.
01/27/10	Chen, Iris	1.0	355.00	Conference call with committee to discuss meeting with Debtors.
01/27/10	Park, Ji Yon	2.0	1,170.00	Prepare for and participate on call with committee re: tax issues, certain asset sale and upcoming meeting with the debtors.
01/27/10	Scruton, Andrew	1.5	1,327.50	Call with Committee re: tax issues, certain asset sale and meeting with management.
		<b>7.0</b>	<b>4,727.50</b>	

c. We noted that on January 29, 2010, professionals Chen (\$355), Joffe (\$885), and Park (\$585) participated in a committee conference call. The total time spent was 3.9 hours, for total fees

of \$2,621.50.

01/29/10	Chen, Iris	1.0	355.00	355.00	Committee call with UCC to discuss case status.
01/29/10	Park, Ji Yon	1.0	585.00	585.00	Committee call re: meeting with management, case strategy and next steps.
01/29/10	Scruton, Andrew	1.9	1,681.50	1,681.50	Calls with Counsel and Committee re: case strategy and review of related issues.
		<b>3.9</b>	<b>2,621.50</b>		

d. We noted that on February 5, 2010, professionals Scruton (\$885), Joffe (\$885), and Park (\$585) participated in a conference call with the Committee. The total time spent was 3.9 hours, for total fees of \$3,031.50.

02/05/10	Joffe, Steven	1.0	885.00	885.00	Tele/con with committee re: case issues.
02/05/10	Park, Ji Yon	1.4	585.00	819.00	Committee call re: case issues including taxes, plan of liquidation and case issues.
02/05/10	Scruton, Andrew	1.5	885.00	1,327.50	Call with Committee re: case issues.
		<b>3.9</b>		<b>3,031.50</b>	

e. We noted that on February 12, 2010, professionals Chen (\$355), Park (\$585), and Scruton (\$885) attended a committee conference call. The total time spent was 3.6 hours for \$2,190.00 in fees.

02/12/10	Chen, Iris	1.2	355.00	426.00	Committee call with UCC re: pending motions and case issues.
02/12/10	Park, Ji Yon	1.2	585.00	702.00	Committee call re: pending motions and other case issues.
02/12/10	Scruton, Andrew	1.2	885.00	1,062.00	Weekly call with UCC re: case update and liquidation plan.
		<b>3.6</b>		<b>2,190.00</b>	

f. We noted that on February 19, 2010, professionals Chen (\$355), Park (\$585), and Scruton (\$885) attended a committee conference call. The total time spent was 4.0 hours, for total fees of \$2,445.00.

02/19/10	Chen, Iris	1.5	355.0	532.50	Conference call with UCC to discuss case issues and on-site visit.
02/19/10	Park, Ji Yon	1.0	585.0	585.00	Prepare for and participate in call with UCC re: case issues and review of the on-site meeting.
02/19/10	Scruton, Andrew	1.5	885.0	1,327.50	Weekly UCC call re: case update.
		<b>4.0</b>		<b>2,445.00</b>	

g. We noted that on February 26, 2010, professionals Nolan (\$885), Park (\$585), and Scruton (\$885) attended a committee conference call. The total time billed was 4.2 hours, for total fees of \$3,237.00.

02/26/10	Nolan, William J.	1.0	885.0	885.00	Prepare for and participate in UCC conference call [partial attendance].
02/26/10	Park, Ji Yon	1.6	585.0	936.00	Committee call re: liquidation plan review and tax issues.
02/26/10	Scruton, Andrew	1.6	885.0	1,416.00	Weekly committee call and follow up with Counsel.
		<b>4.2</b>		<b>3,237.00</b>	

h. We noted that on March 1, 2010, professionals Nolan (\$885), Park (\$585), and Scruton (\$585) attended a committee conference call. The total time billed was 6.6 hours, for total fees of \$5,061.00.

03/01/10	Nolan, William J.	2.5	2,212.50	885.0	Prepare for and participate in conference call with the Committee.
03/01/10	Park, Ji Yon	1.1	643.50	585.0	Prepare for in-person meeting with

				UCC re: tax issues and liquidation plan.
03/01/10	Park, Ji Yon	1.5	877.50	585.0 Meet with UCC to discuss tax issues/strategy and liquidation plan.
03/01/10	Scruton, Andrew	1.5	1,327.50	885.0 Pre meeting with UCC.
		<b>6.6</b>	<b>5,061.00</b>	



**EXHIBIT "A"**

23	11/24/2009	Hellmund-Mora, Marili	0.7	175.00	Prepare and review of relationship check list.
23	11/24/2009	Hain, Danielle	0.4	274.00	Update work plan re: conflict check list.
23	11/24/2009	Hain, Danielle	0.4	274.00	Review retention papers, conflict check, PCD codes and request list.
23	11/24/2009	Hellmund-Mora, Marili	2.3	575.00	Review of relationship check list and identify potential conflicts.
23	11/25/2009	Chen, Iris	2.3	667.00	Review and compile list of related parties for conflict check.
23	11/25/2009	Hellmund-Mora, Marili	2.9	725.00	Continue to perform relationship check.
23	11/30/2009	Chen, Iris	2.9	841.00	Review conflict check results for Advanta.
23	11/30/2009	Hellmund-Mora, Marili	2.3	575.00	Review relationship check results and review parties for court disclosure.
23	12/1/2009	Chen, Iris	1.9	551.00	Conduct conflict/connection check for Advanta.
23	12/1/2009	Chen, Iris	2.1	609.00	Continue to review conflict check results.
23	12/1/2009	Hellmund-Mora, Marili	2.3	575.00	Identify potential conflicts and submit findings in connection with FTI's retention affidavit.
23	12/1/2009	Hellmund-Mora, Marili	2.6	650.00	Preparation and review of relationship check list.
23	12/2/2009	Chen, Iris	2.9	841.00	Review conflict check results for related parties in the case.
23	12/2/2009	Chen, Iris	3.1	899.00	Continue to review conflict check results for related parties in the case.
23	12/2/2009	Hellmund-Mora, Marili	1.9	475.00	Continue to perform relationship check in relation to FTI retention.
23	12/3/2009	Chen, Iris	1.6	464.00	Conduct conflict check on professional advisors and other professionals of Advanta.
23	12/4/2009	Chen, Iris	3.1	899.00	Continue with conflict check for Advanta.
23	12/4/2009	Hellmund-Mora, Marili	1.7	425.00	Identify potential conflicts and submit results re: FTI's retention affidavit.
23	12/7/2009	Chen, Iris	1.4	406.00	Review of conflict check of affiliated parties.
23	12/7/2009	Kream, Benjamin	1.2	420.00	Review results of conflict check of affiliated parties.
23	12/8/2009	Chen, Iris	1.0	290.00	Continue review of conflict check results.
23	12/8/2009	Creagh, Kristina	2.5	725.00	Review conflict check results of list of related parties.
23	12/8/2009	Hellmund-Mora, Marili	2.6	650.00	Submit conflict check findings in connection with FTI's retention affidavit.
23	12/8/2009	Kream, Benjamin	1.6	560.00	Coordinate conflict check.
23	12/9/2009	Chen, Iris	3.4	986.00	Review of conflict check results.
23	12/9/2009	Hellmund-Mora, Marili	2.3	575.00	Review relationship check list and identify potential conflicts.
23	12/10/2009	Chen, Iris	2.5	725.00	Complete conflict check of Advanta.
23	12/10/2009	Hain, Danielle	0.4	274.00	Review retention application and connections check results.
23	12/10/2009	Kream, Benjamin	1.5	525.00	Coordinate conflict check review.

**EXHIBIT "A"**

23	12/15/2009	Chen, Iris	1.3	377.00	Review results of conflict check.
23	12/15/2009	Hellmund-Mora, Marili	0.6	150.00	Participate in call re: conflict check results and parties for court disclosure.
			<b>59.7</b>	<b>17,157.00</b>	

**Advanta**  
**Analysis of Time Originally Described As Conflict Check Time**  
**For Nov-Dec 2009 Time Detail**

	Hours	Rate	\$	Conflict Check	
				% of Hrs	\$
Chen, Iris	29.5	\$290	\$ 8,555.0	35%	\$ 2,994.3
Hellmund-Mora, Marili	19.6	\$250	4,900.0	25%	1,225.0
Kream, Benjamin	4.3	\$350	1,505.0	10%	150.5
Creagh, Kristina	2.5	\$290	725.0	75%	543.8
Hain, Danielle	0.8	\$685	548.0	0%	-
	<b>56.7</b>		<b>16,233.0</b>		<b>4,913.5</b>

**Proposed Settlement** **\$ 5,000.0**

	<u>% Hrs</u>	<u>Hours</u>	<u>Description</u>	<u>Category</u>
<b>Chen, Iris</b>	5%	1.5	Obtain list of parties from Counsel to be screened for relationship check (Exhibit A)	Exhibit prep
	10%	3.0	Prepare list of parties reviewed for relationship check (Exhibit A)	Exhibit prep
	30%	8.9	Review results of database search for parties to determine if any party needs to be disclosed for relationship	Conflict Check
	20%	5.9	Compile a list of parties flagged for court disclosure (Exhibit B prep)	Exhibit prep
	20%	5.9	Prepare Exhibit B with preliminary list of parties for court disclosure	Exhibit prep
	5%	1.5	Add'n'l research on parties included in Exhibit B to determine nature of relationship	Conflict Check
	10%	3.0	Prepare summaries of results of additional research for affidavit disclosure	Exhibit prep
	<b>100%</b>	<b>29.5</b>		
<b>Hellmund-Mora, Marili</b>	20%	3.9	Review of results of database party search to determine if any party needs to be disclosed for relationship	Conflict Check
	25%	4.9	Enter findings into the Affidavit exhibit template (Exhibit B prep)	Exhibit prep
	30%	5.9	Classification of results of research on parties included in preliminary exhibit for disclosure (Exhibit B)	Exhibit prep
	5%	1.0	Add'n'l research on parties included in Exhibit B to determine nature of relationship	Conflict Check
	20%	3.9	Prepare summaries of results of additional research for affidavit disclosure	Exhibit prep
	<b>100%</b>	<b>19.6</b>		
<b>Kream, Benjamin</b>	65%	2.8	Coordinate preparation of affidavit and exhibits	Exhibit prep
	10%	0.4	Review of list of parties from Counsel for relationship check (Exhibit A)	Exhibit prep
	10%	0.4	Review results of database search for parties to determine if any party needs to be disclosed for relationship	Conflict Check
	15%	0.6	Review of draft Exhibits	Exhibit prep
	<b>100%</b>	<b>4.3</b>		
<b>Creagh, Kristina</b>	75%	1.9	Review results of database search for parties to determine if any party needs to be disclosed for relationship	Conflict Check
	25%	0.6	Compile a list of parties flagged for court disclosure (Exhibit B prep)	Exhibit prep
	<b>100%</b>	<b>2.5</b>		
<b>Hain, Danielle</b>	100%	0.8	Coordinate preparation of affidavit and exhibits (supervise process, final review of court documents)	Exhibit prep
	<b>100%</b>	<b>0.8</b>		
<b>TOTAL</b>		<b>56.7</b>		

Advanta  
Write Off Detail

EXHIBIT B - FTI RESPONSE

**FEE WRITE OFF DETAIL - FIRST INTERIM PERIOD (NOV2009-MAR2010)**

<b>Date</b>	<b>Name</b>	<b>Position</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	<b>Description</b>	<b>Code</b>
12/9/09	Chen, Iris	Consultant	3.2	\$ 290	\$ 928.0	Conference call with committee members and Debtors.	20
12/9/09	Chen, Iris	Consultant	1.0	\$ 290	290.0	Conference call with committee members.	21
12/18/09	Chen, Iris	Consultant	1.2	\$ 290	348.0	Conference call with UCC re: case status.	21
12/18/09	Kream, Benjamin	Consultant	1.1	\$ 350	385.0	Participate in UCC meeting and follow up.	21
<b>12/1/09 - 12/31/09</b>			<b>6.5</b>		<b>1,951.0</b>		
1/28/10	Chen, Iris	Consultant	1.0	\$ 355	355.0	Prepare for all-hands meeting.	20
1/28/10	Chen, Iris	Consultant	5.5	\$ 355	1,952.5	Meet with Advanta officers, A&M, and Weil.	20
1/28/10	Chen, Iris	Consultant	1.0	\$ 355	355.0	Pre-meeting with UCC at Latham's office.	21
<b>1/1/10 - 1/31/10</b>			<b>7.5</b>		<b>2,662.5</b>		
2/5/10	Chen, Iris	Consultant	1.5	\$ 355	532.5	Conference call with UCC members re: liquidation plan, taxes, and case strategy.	21
2/25/10	Chen, Iris	Consultant	1.0	\$ 355	355.0	Conference call with Latham to discuss case status	21
2/26/10	Chen, Iris	Consultant	0.5	\$ 355	177.5	Prepare and review materials for conference call with UCC.	21
2/26/10	Chen, Iris	Consultant	1.5	\$ 355	532.5	Conference call with UCC to discuss liquidation plan and tax issues.	21
<b>2/1/10 - 2/28/10</b>			<b>4.5</b>		<b>1,597.5</b>		
3/1/10	Chen, Iris	Consultant	1.50	\$ 355	532.50	Meeting at Latham office with UCC members.	21
3/12/10	Chen, Iris	Consultant	1.50	\$ 355	532.50	Conference call with UCC to discuss case update.	21
3/19/10	Chen, Iris	Consultant	1.50	\$ 355	532.50	Conference call with UCC re: case update, motions, and issues.	21
3/26/10	Chen, Iris	Consultant	1.00	\$ 355	355.00	Conference call with UCC to discuss Advanta/ABC issues.	21
<b>3/1/10 - 3/31/10</b>			<b>5.5</b>		<b>1,952.5</b>		
<b>Grand Total</b>			<b>24.0</b>		<b>\$ 8,163.5</b>		

**FTI Explanations for Meeting Times - Fee Auditor Exhibit B**  
**First Interim Fee Application**  
For November 2009 - March 2010

**EXHIBIT C - FTI RESPONSE**

DATE	PROFESSIONAL	HOURS	AMOUNT	DESCRIPTION OF HOURS	FTI Explanation	Voluntary Reduction		
						Detail	Amount	
12/09/09	Kream, Benjamin	4.1	\$ 1,435.0	In-person meeting with management and UCC.	This meeting was an initial kick-off meeting with the Debtors and their advisors to discuss the case background, key case issues and strategies. FTI attended with all of the core engagement team members so that everyone can be educated on the case issues at the same time. Mr. Nolan's participation was necessary for regulatory discussions, which were the primary case issues. As a note, Mr. Kream is no longer with FTI.	Ms. Chen also participated via conference call but her time was voluntarily written off.		
12/09/09	Nolan, William J.	3.4	2,805.0	In-person meeting with management and UCC.				
12/09/09	Park, Ji Yon	1.0	455.0	Participate in the kick-off meeting with the debtors and committee (partial attendance).				
12/09/09	Scruton, Andrew	2.9	2,392.5	Meeting at Weil to discuss case status with management and UCC.				
12/09/09	Kream, Benjamin	1.0	350.0	Participate in planning meeting for UCC meeting with Latham.				
12/09/09	Nolan, William J.	1.0	825.0	Conference call with UCC and Debtors.				
		<b>13.4</b>	<b>8,262.5</b>				<b>1,218.0</b>	
12/16/09	Kream, Benjamin	3.5	1,225.0	Prepare for and participate in meetings with Debtor at Spring House offices.	This meeting was a visit to the Company's headquarters to kick-off FTI's financial diligence of the Debtors and to discuss the major issue of dealing with ABC/FDIC. It was important for all the core engagement team members to attend in order to benefit from the detailed discussions with management.			
12/16/09	Nolan, William J.	3.5	2,887.5	Prepare and participate in site meeting with Debtors.				
12/16/09	Park, Ji Yon	3.5	1,592.5	In-person meeting with management and A&M re: diligence items and case issues.				
12/16/09	Scruton, Andrew	3.5	2,887.5	Prepare and participate in site meeting with Debtors.				
		<b>14.0</b>	<b>8,592.5</b>					
01/28/10	Nolan, William J.	5.5	4,867.5	Meeting with Debtors re: case issues.	Mr. Scruton and Ms. Park are core engagement team members. Mr. Nolan's participation was necessary for regulatory discussions, which were the primary case issues at that point in time.	Ms. Chen also participated but her time was voluntarily written off.		
01/28/10	Park, Ji Yon	1.0	585.0	Prepare for meeting with management.				
01/28/10	Park, Ji Yon	2.0	1,170.0	Meeting with management re: case issues to date and other related matters.				
01/28/10	Park, Ji Yon	3.0	1,755.0	Continued meeting with management re: tax issues, CRO issues and case strategies.				
01/28/10	Scruton, Andrew	5.5	4,867.5	Meeting with Debtors re: case issues.				
		<b>17.0</b>	<b>13,245.0</b>				<b>2,662.5</b>	
02/18/10	Chen, Iris	7.0	2,485.0	Meeting with Debtor and A&M at Company office re: liquidation plan.	All of the attendees are core engagement members.			
02/18/10	Park, Ji Yon	3.5	2,047.5	On-site meeting with the Debtors and their advisors re: liquidation forecast and related case issues.				
02/18/10	Park, Ji Yon	3.5	2,047.5	On-site meeting with the Debtors and their advisors re: employee plan and other related issues.				
02/18/10	Scruton, Andrew	7.0	6,195.0	Meetings at the Company premises re: liquidation plan.				
		<b>21.0</b>	<b>12,775.0</b>					
03/01/10	Chen, Iris	4.5	1,597.5	All-hands meeting at Latham to discuss liquidation plan and tax issues.	All of the attendees are core engagement members.			
03/01/10	Park, Ji Yon	4.5	2,632.5	Meet with the Debtors and UCC to discuss tax issues and status of liquidation plan.				
03/01/10	Scruton, Andrew	4.5	3,982.5	Meeting with Debtors and follow up with Debtors' professionals.				
		<b>13.5</b>	<b>8,212.5</b>					
03/10/10	Joffe, Steven	4.5	3,982.5	Meeting with company, Weil and counsel re: tax issues.	Mr. Scruton and Ms. Park are core engagement team members. Mr. Nolan's participation was necessary for regulatory discussions and he only participated partially to address his specific area of expertise. Mr. Joffe's participation was necessary for tax discussions, and the purpose of this meeting was to discuss tax issues.			
03/10/10	Nolan, William J.	2.5	2,212.5	Prepare for and participate in conference call with the UCC and the Debtor re: tax issues [partial attendance].				
03/10/10	Park, Ji Yon	4.0	2,340.0	Meeting with the debtors to discuss tax issues.				
03/10/10	Scruton, Andrew	4.8	4,248.0	Meeting with Debtors re: tax issues.				
		<b>15.8</b>	<b>12,783.0</b>					
<b>Total Reduction:</b>								<b>3,880.5</b>

**FTI Explanations for Meeting Times - Fee Auditor Exhibit C**  
**First Interim Fee Application**  
*For November 2009 - March 2010*

**EXHIBIT C - FTI RESPONSE**

DATE	PROFESSIONAL	HOURS	AMOUNT	DESCRIPTION OF HOURS	FTI Explanation	Voluntary Reduction	
						Detail	Amount
01/22/10	Joffe, Steven	1.0	885.0	Tele/con with committee re: tax and other case issues.	Mr. Scruton and Ms. Park are core engagement team members.		
01/22/10	Park, Ji Yon	1.0	585.0	Committee call re: meeting with the debtors.	Mr. Joffe's participation was required to discuss tax issues,		
01/22/10	Scruton, Andrew	2.4	2,124.0	Call with UCC and follow ups with Committee members and Counsel.	which were the major case issue.		
		<b>4.4</b>	<b>3,594.0</b>				
01/27/10	Hershman, Richard	1.5	990.0	Preparation for and call with UCC on asset sales.	Mr. Scruton, Ms. Park and Ms. Chen are core engagement team members.		
01/27/10	Joffe, Steven	1.0	885.0	Committee call; discussion regarding tax materials.	Mr. Joffe's participation was required to discuss tax issues, which were the major case issue.		
01/27/10	Chen, Iris	1.0	355.0	Conference call with committee to discuss meeting with Debtors.	Mr. Hershman's participation was required to discuss the sale of insurance entities.		
01/27/10	Park, Ji Yon	2.0	1,170.0	Prepare for and participate on call with committee re: tax issues, certain asset sale and upcoming meeting with the debtors.			
01/27/10	Scruton, Andrew	1.5	1,327.5	Call with Committee re: tax issues, certain asset sale and meeting with management.			
		<b>7.0</b>	<b>4,727.5</b>				
01/29/10	Chen, Iris	1.0	355.0	Committee call with UCC to discuss case status.	Mr. Scruton, Ms. Park and Ms. Chen are core engagement team members.		
01/29/10	Park, Ji Yon	1.0	585.0	Committee call re: meeting with management, case strategy and next steps.			
01/29/10	Scruton, Andrew	1.9	1,681.5	Calls with Counsel and Committee re: case strategy and review of related issues.			
		<b>3.9</b>	<b>2,621.5</b>				
02/05/10	Joffe, Steven	1.0	885.0	Tele/con with committee re: case issues.	Mr. Scruton and Ms. Park are core engagement team members.	Ms. Chen also participated but her time was voluntarily written off.	
02/05/10	Park, Ji Yon	1.4	819.0	Committee call re: case issues including taxes, plan of liquidation and case issues.	Mr. Joffe's participation was required to discuss tax issues, which were the major case issue.		
02/05/10	Scruton, Andrew	1.5	1,327.5	Call with Committee re: case issues.			
		<b>3.9</b>	<b>3,031.5</b>				<b>532.5</b>
02/12/10	Chen, Iris	1.2	426.0	Committee call with UCC re: pending motions and case issues.	Mr. Scruton, Ms. Park and Ms. Chen are core engagement team members.		
02/12/10	Park, Ji Yon	1.2	702.0	Committee call re: pending motions and other case issues.			
02/12/10	Scruton, Andrew	1.2	1,062.0	Weekly call with UCC re: case update and liquidation plan.			
		<b>3.6</b>	<b>2,190.0</b>				
02/19/10	Chen, Iris	1.5	532.5	Conference call with UCC to discuss case issues and on-site visit.	Mr. Scruton, Ms. Park and Ms. Chen are core engagement team members.		
02/19/10	Park, Ji Yon	1.0	585.0	Prepare for and participate in call with UCC re: case issues and review of the on-site meeting.			
02/19/10	Scruton, Andrew	1.5	1,327.5	Weekly UCC call re: case update.			
		<b>4.0</b>	<b>2,445.0</b>				
02/26/10	Nolan, William J.	1.0	885.0	Prepare for and participate in UCC conference call [partial attendance].	Mr. Scruton and Ms. Park are core engagement team members.	Ms. Chen also participated but her time was voluntarily written off.	
02/26/10	Park, Ji Yon	1.6	936.0	Committee call re: liquidation plan review and tax issues.	Mr. Nolan's participation was necessary for regulatory discussions, and he only participated partially to address his specific area of expertise.		
02/26/10	Scruton, Andrew	1.6	1,416.0	Weekly committee call and follow up with Counsel.			
		<b>4.2</b>	<b>3,237.0</b>				<b>710.0</b>
03/01/10	Nolan, William J.	2.5	2,212.5	Prepare for and participate in conference call with the Committee.	Mr. Scruton and Ms. Park are core engagement team members.	Ms. Chen also participated but her time was voluntarily written off.	
03/01/10	Park, Ji Yon	1.1	643.5	Prepare for in-person meeting with UCC re: tax issues and liquidation plan.	Mr. Nolan's participation was necessary for regulatory discussions.		
03/01/10	Park, Ji Yon	1.5	877.5	Meet with UCC to discuss tax issues/strategy and liquidation plan.			
03/01/10	Scruton, Andrew	1.5	1,327.5	Pre meeting with UCC.			
		<b>6.6</b>	<b>5,061.0</b>				<b>532.5</b>
						<b>Total Reduction:</b>	<b>1,775.0</b>