

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

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<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-13931 (KJC)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	:	Hearing: November 24, 2010 at 10:00 a.m.
	:	Obj. Deadline: November 17, 2010 at 4:00 p.m.
	X	

**MOTION TO EXTEND EXCLUSIVE PERIODS FOR THE FILING OF
A CHAPTER 11 PLAN AND SOLICITATION OF ACCEPTANCES THERETO**

Advanta Corp. and its affiliated debtors in the above-referenced chapter 11

cases, as debtors and debtors in possession (collectively, the “*Debtors*”), respectfully

represent:

¹ The Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Advanta Corp. (2070), Advanta Investment Corp. (5627), Advanta Business Services Holding Corp. (4047), Advanta Business Services Corp. (3786), Advanta Shared Services Corp. (7074), Advanta Service Corp. (5625), Advanta Advertising Inc. (0186), Advantennis Corp. (2355), Advanta Mortgage Holding Company (5221), Advanta Auto Finance Corporation (6077), Advanta Mortgage Corp. USA (2654), Advanta Finance Corp. (8991), Advanta Ventures Inc. (5127), BE Corp. (8960), ideablob Corp. (0726), Advanta Credit Card Receivables Corp. (7955), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Information regarding the Debtors’ businesses and the background relating to events leading up to these chapter 11 cases can be found in (i) the Declaration of William A. Rosoff in Support of the Debtors’ Chapter 11 Petitions and First-Day Motions, filed on November 8, 2009, (the “*Rosoff Declaration*”), the date the majority of Debtors filed their petitions (the “*Commencement Date*”) under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”), and (ii) that certain supplement thereto, filed on November 20, 2009, the date Advanta Ventures Inc., BE Corp., ideablob Corp. and Advanta Credit Card Receivables Corp. filed their chapter 11 cases (the “*Second Commencement Date*”, and together with the Commencement Date, the “*Commencement Dates*”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Further, in accordance with an order of this Court, the Debtors’ cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”).

Relief Requested

1. By this Motion, the Debtors request, pursuant to section 1121(d) of the Bankruptcy Code, a further extension of the Debtors' exclusive periods for the Debtors' filing of a chapter 11 plan (the "***Plan Period***") and solicitation of acceptances thereof (the "***Solicitation Period***", and together with the Plan Period, the "***Exclusive Periods***") by an additional 60 days – i.e., to January 5, 2011 and March 4, 2011, respectively.² The Plan Period and the Solicitation Period currently expire on November 5, 2010 and January 3, 2011, respectively. The Debtors submit that the proposed further 60-day extension of the Exclusive Periods is justified and appropriate under the circumstances. A proposed order is attached hereto as ***Exhibit A***.

2. On November 2, 2010, the Debtors filed their *Joint Plan Under Chapter 11 of the Bankruptcy Code* [Docket No. 895] (the "***Proposed Plan***"), and the *Disclosure Statement for Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code* [Docket No. 896] (the "***Disclosure Statement***"). On the same date, the Debtors also filed their *Motion for an Order (I) Approving the Proposed Disclosure Statement, (II) Approving Notice and Objection Procedures for the Disclosure Statement Hearing, (III) Establishing Solicitation and Voting Procedures, (IV) Scheduling a Confirmation Hearing, and (V) Establishing Notice and Objection Procedures for Confirmation of the Proposed Plan* [Docket No. 899], and related *Notice of Hearing to Consider Approval of Disclosure Statement with Respect to Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code*

² This request is without prejudice to the Debtors' rights to seek a further extension of exclusive periods or for other parties to challenge such request or seek to terminate the Debtors' Exclusive Periods, prior to such dates.

and Approval of Solicitation Procedures [Docket No. 900]. The hearing to consider approval of the Disclosure Statement is scheduled for December 16, 2010 at 3:30 p.m.

3. The Proposed Plan provides for substantial recovery to creditors in these chapter 11 cases, including retail noteholders. The Debtors need a full and fair opportunity to prosecute the Proposed Plan and solicit acceptances thereto, without the deterioration and disruption that is likely to be caused by the filing of competing plans by non-Debtor parties. By this Motion, the Debtors are seeking such an opportunity.

Extension of Exclusive Periods

4. Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to propose and file a chapter 11 plan. *See* 11 U.S.C. § 1121(b). Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan within this 120-day Plan Period, it has a period of 180 days after the commencement of the case to obtain acceptance of such plan, during which time competing plans may not be filed. *See id.* at § 1121(c)(3). Pursuant to section 1121(d) of the Bankruptcy Code, where the initial 120-day and 180-day Exclusive Periods provided for in the Bankruptcy Code prove to be insufficient time for proposal and solicitation of a plan, the Court may extend a debtor's Exclusive Periods for cause. *See id.* at § 1121(d).

5. The Bankruptcy Code neither defines the term “cause” for purposes of section 1121(d) nor establishes formal criteria for an extension. The legislative history indicates, however, that it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors. *See* H.R. Rep. No. 95-595, at 231-32 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787 (noting that Congress intended to give bankruptcy courts

flexibility to protect a debtor's interests by allowing unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest).

6. In determining whether cause exists to extend the Exclusive Periods, a court may consider a variety of factors to assess the totality of circumstances in each case. *See In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying the factors used by courts to determine whether cause exists to extend exclusivity); *In re Dow Corning Corp.*, 208 B.R. 661, 664 (Bankr. E.D. Mich. 1997); *In re Express One Int'l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996). Those factors include, without limitation:

- (a) the size and complexity of the debtor's case;
- (b) the existence of good-faith progress towards reorganization;
- (c) a finding that the debtor is not seeking to extend exclusivity to pressure creditors to accede to the debtor's reorganization demands;
- (d) existence of an unresolved contingency; and
- (e) the fact that the debtor is paying its bills as they come due.

See e.g., In re Adelphia Commc'ns Corp., 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006); *In re McLean Indus., Inc.*, 87 B.R. at 834 (citations omitted); *accord In re Express One Int'l, Inc.*, 194 B.R. at 100 (identifying four of the five above-quoted factors, among others, as relevant in determining whether "cause" exists to extend exclusivity); *In re United Press Int'l, Inc.*, 60 B.R. 265, 269 (Bankr. D.C. 1986) (holding that the debtor showed "cause" to extend its exclusivity period based upon certain of above-quoted factors).

7. Courts in this district and other districts have, on numerous occasions, granted extensions of the Exclusive Periods in liquidating chapter 11 cases. *See e.g., In re ProtoStar Ltd.*, Case No. 09-12659 (MFW) (Bankr. D. Del. December 17, 2009) (granting

debtors' first request for an extension of the exclusive periods); *In re Washington Mutual, Inc.*, Case No. 08-12229 (MFW) (Bankr. D. Del. November 20, 2009) (granting debtors' fourth request for an extension of the exclusive periods); *In re Stone Barn Manhattan, LLC*, Case No. 08-12579 (ALG) (Bankr. S.D.N.Y. July 16, 2009) (granting debtors' third request for an extension of exclusive periods); *In re Sharper Image Corp.*, Case No. 08-10322 (KG) (granting debtors' first request for an extension of the exclusive periods); *In re American Home Mortgage Holdings, Inc.*, Case No. 07-11666(KG) (Bankr. D. Del. November 24, 2008) (granting debtors' fourth request for an extension of exclusive periods).

8. The primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a chapter 11 plan. The Exclusive Periods are intended to afford a debtor a full and fair opportunity to propose a plan and solicit acceptances of such plan without the deterioration and disruption that is likely to be caused by the filing of competing plans by non-debtor parties.

9. Here, the Debtors seek a further 60-day extension of the Exclusive Periods. Application of the aforementioned standards to the facts of these chapter 11 cases demonstrates sufficient cause to grant the Debtors' requested extension of the Exclusive Periods so that they may have a full and fair opportunity to prosecute the Proposed Plan in an expeditious and efficient manner.

The Debtors Have Demonstrated Cause for an Extension of Exclusivity

A. These Cases Are Large and Complex

10. Both Congress and the courts have recognized the size and complexity of a debtor's case alone may constitute cause for the extension of a debtor's exclusive period to file a plan and the period to solicit acceptances of such a plan. "[I]f an unusually large

company were to seek reorganization under chapter 11, the court would probably need to extend the time in order to allow the debtor to reach an agreement.” H.R. Rep. No. 95-595, at 232 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787. In *In re Texaco Inc.*, the court stated:

The large size of a debtor and the consequent difficulty in formulating a plan of reorganization for a huge debtor with a complex financial structure are important factors which generally constitute cause for extending the exclusivity periods.

In re Texaco, Inc., 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987). The size and complexity of these cases warrant an extension of the Exclusive Periods.

B. *Substantial Good Faith Progress Has Been Demonstrated; The Debtors Are Not Seeking to Extend Exclusivity to Pressure Creditors*

11. Extension of a debtor’s exclusive period to file a plan and the period to solicit acceptances thereto are justified by progress in the resolution of issues facing the debtor’s estate. *See e.g., In re Serv. Merch. Co., Inc.*, 256 B.R. 744, 753-54 (Bankr. M.D. Tenn. 2000); *In re Amko Plastics, Inc.*, 197 B.R. 74, 77 (Bankr. S.D. Ohio 1996); *In re McLean Indus. Inc.*, 87 B.R. at 835; *In re Texaco, Inc.*, 76 B.R. at 327.

12. In approximately one year since the commencement of these chapter 11 cases, the Debtors have made significant strides in both protecting their assets as well as recovering substantial value for creditors. The Debtors have made significant progress in liquidating and protecting their assets by, among other things, smoothly transitioning servicing of their credit card accounts receivable from Advanta Bank Corp. to a third party service provider.

13. Moreover, throughout the initial eleven months, the Debtors have made every effort to keep creditors apprised of developments and are conducting regular meetings and conferences with the official committee of unsecured creditors appointed in

these chapter 11 cases (the “*Committee*”). The Debtors worked with the Committee to try to formulate a chapter 11 plan supported by the Committee. Although the Debtors and the Committee have been unable to date to agree on all aspects of a chapter 11 plan, the Debtors, through concessions made to many Committee requests, have narrowed their differences with the Committee to a small number of issues which the Debtors believe are legal (rather than economic) in nature, and can be resolved, if necessary, by the Court’s adjudication of any objections to the Plan advanced by the Committee.

14. Additionally, the Debtors have (i) filed their schedules of assets and liabilities and statements of financial affairs, (ii) delivered to the Committee a working draft of the wind-down business plan; and (iii) filed the Proposed Plan. The Debtors submit that, having filed the Proposed Plan, the additional time requested in this Motion will allow the Proposed Plan to be prosecuted in a more cost effective manner.

C. *The Debtors Have Been Paying Bills as They Become Due*

15. Since the commencement of these cases, the Debtors have been paying their bills as they generally become due. Thus, no party in interest will be harmed by the extensions of the Exclusive Periods.

16. In summary, the Debtors submit that extension of the Exclusive Periods will increase the likelihood of a greater distribution to the Debtors’ stakeholders by facilitating an orderly, efficient and cost-effective plan process for the benefit of all creditors and permit the Debtors to prosecute the Proposed Plan. Termination of the Exclusive Periods, on the other hand, could give rise to the threat of multiple plans and a contentious confirmation process resulting in increased administrative expenses and consequently diminishing returns to the Debtors’ creditors. Moreover, it could significantly delay, if not

completely undermine, the Debtors' ability to confirm any plan in these cases. Accordingly, the Debtors request that the Court extend the Exclusive Periods as provided herein.

Jurisdiction

17. 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

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

No Previous Request

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

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

Dated: November 4, 2010
Wilmington, Delaware

/s/ Zachary I. Shapiro

Mark D. Collins (No. 2981)

Paul N. Heath (No. 3704)

Chun I. Jang (No. 4790)

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ATTORNEYS FOR
DEBTORS AND DEBTORS IN
POSSESSION

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

	X	
	:	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-13931 (KJC)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	:	Hearing: November 24, 2010 at 10:00 a.m. (EST)
	:	Obj. Deadline: November 17, 2010 at 4:00 p.m. (EST)

NOTICE OF MOTION AND HEARING

Advanta Corp. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “***Debtors***”), today, filed the **Motion to Extend Exclusive Periods for the Filing of a Chapter 11 Plan and Solicitation of Acceptances Thereto** (the “***Motion***”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “***Bankruptcy Court***”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, filed with the Clerk of the Bankruptcy Court and served upon and received by the undersigned counsel for the Debtors on or before **November 17, 2010 at 4:00 p.m. (Eastern Standard Time)**.

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

¹ The Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Advanta Corp. (2070), Advanta Investment Corp. (5627), Advanta Business Services Holding Corp. (4047), Advanta Business Services Corp. (3786), Advanta Shared Services Corp. (7074), Advanta Service Corp. (5625), Advanta Advertising Inc. (0186), Advantennis Corp. (2355), Advanta Mortgage Holding Company (5221), Advanta Auto Finance Corporation (6077), Advanta Mortgage Corp. USA (2654), Advanta Finance Corp. (8991), Advanta Ventures Inc. (5127), BE Corp. (8960), ideablob Corp. (0726), Advanta Credit Card Receivables Corp. (7955), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328).

objection and the Motion will be held before The Honorable Kevin J. Carey at the Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801 on **November 24, 2010 at 10:00 a.m. (Eastern Standard Time)**.

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

Dated: November 4, 2010
Wilmington, Delaware

Respectfully submitted,

/s/ Zachary I. Shapiro

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

Exhibit A

Proposed Order

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

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-13931 (KJC)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
-----X	:	Re: Docket No. ____

**ORDER PURSUANT TO SECTION 1121(d) OF THE BANKRUPTCY
CODE FURTHER EXTENDING DEBTORS' EXCLUSIVE PERIODS FOR
FILING A CHAPTER 11 PLAN AND SOLICITING ACCEPTANCES THEREOF**

Upon the motion, dated November 4, 2010 (the “*Motion*”), of Advanta Corp. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “*Debtors*”), pursuant to section 1121(d) of title 11 of the United States Code (the “*Bankruptcy Code*”), for an order further extending the exclusive period during which the Debtors may file a chapter 11 plan (the “*Plan Period*”) and the period during which the Debtors may solicit acceptances thereof (the “*Solicitation Period*,” and together with the Filing Period, the “*Exclusive Periods*”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the

¹ The Debtors in these 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).

requested relief 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 Motion having been provided to the Notice Parties;² and the relief requested in the Motion being in the best interests of the Debtors, their creditors and their estates; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court, and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is GRANTED; and it is further

ORDERED pursuant to section 1121(d) of the Bankruptcy Code, each Debtor's Plan Period is extended through and including January 5, 2011; and it is further

ORDERED pursuant to section 1121(d) of the Bankruptcy Code, each Debtor's Solicitation Period is extended through and including March 4, 2011; and it is further

ORDERED that the extension of the Exclusive Periods granted herein is without prejudice to the Debtors seeking a further extension of the Exclusive Periods pursuant to section 1121(d) of the Bankruptcy Code and is without prejudice to any party in interest, including the Committee, contesting such further request or seeking to terminate any Exclusive Period prior to the extended dates set forth herein; and it is further

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

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

Dated: November ____ 2010
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE