

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

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

Hearing Date: TBD
Objection Deadline: TBD

**EXPEDITED MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS TO CONDUCT EXAMINATIONS OF THE DEBTORS PURSUANT TO
RULE 2004 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

The Official Committee of Unsecured Creditors (the “**Committee**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) hereby moves for entry of an order, pursuant to Rule 2004 (“**Rule 2004**”) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2004-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”) and section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), compelling the Debtors and their representatives to produce documents and appear for deposition upon oral examination. In support of this motion (the “**Motion**”), the Committee respectfully represents as follows:

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**”), 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).

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue for these proceedings and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief sought herein is section 105(a) of the Bankruptcy Code, Bankruptcy Rule 2004 and Local Rule 2004-1.

BACKGROUND

3. On November 8, 2009 (the “**Petition Date**”), certain of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, and on November 20, 2009, the remaining Debtors filed chapter 11 cases in this Court. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b). No trustee or examiner has been appointed in these cases.

4. On November 19, 2009, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed the Committee, pursuant to Bankruptcy Code Section 1102(a)(1). The Committee consists of the following members: (i) The Bank of New York Mellon; (ii) Stonehill Capital Management LLC (“**Stonehill**”); (iii) DVL Incorporated; (iv) Brandywine Operating Partnership; and (v) Law Debenture Trust Company of New York. The Committee selected Stonehill as its chair.

5. Pursuant to section 1102 of the Bankruptcy Code, the Committee retained Latham & Watkins LLP and Drinker Biddle & Reath LLP as its co-counsel *nunc pro tunc* to November 19, 2009. Pursuant to sections 328 and 1103 of the Bankruptcy Code, the Committee retained

FTI Consulting, Inc. as its financial advisor *nunc pro tunc* to November 24, 2009.

6. On November 2, 2010, without the support of the Committee, the Debtors filed the Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code [D.I. 895] (the "**Plan**"), the Disclosure Statement for Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code [D.I. 896] (the "**Disclosure Statement**") and the 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 [D.I. 899] (the "**Disclosure Statement Motion**").

7. On November 4, 2010, the Debtors, again without the support of the Committee, filed the *Motion to Extend Exclusive Periods for the Filing a Chapter 11 Plan and Solicitation Thereto* [D.I. 903] (the "**Exclusivity Motion**").

BACKGROUND FACTS RELATED TO THE INSTANT MOTION

8. In early May 2010, the Debtors informed the Committee that Dennis Alter ("**Alter**"), the Debtors' chief executive officer and chairman of the board, William Rosoff ("**Rosoff**"), the Debtors' president and vice chairman of the board, and potentially other directors and officers of the Debtors intended to file proofs of claims against the estates. The Debtors informed the Committee, however, that they would not investigate or contest the validity of any proofs of claims filed on behalf of Alter, Rosoff or any other director or officer. The Committee made clear to the Debtors that any claims filed by the Debtors' directors and officers, including any defenses and counterclaims, must be investigated – as any other unscheduled claims asserted against the Debtors' estates would be – in order to ensure maximum recoveries for all creditors of the Debtors' estates.

9. On May 14, 2010, Alter and Rosoff each filed a proof of claim. Alter and Rosoff originally asserted claims in an aggregate amount of approximately \$64.1 million based on their interpretation of multiple prepetition benefits and severance programs under which they were the sole and exclusive beneficiaries (as amended, the “**Alter & Rosoff Claims**”). Despite the magnitude of these claims (upon information and belief, *the asserted Alter & Rosoff Claims currently constitute approximately one-sixth of the claims pool in these chapter 11 cases*), the Debtors have continued to maintain that they cannot investigate the Alter & Rosoff Claims because of a conflict between the Debtors’ fiduciary duties to the estates and the personal interests of the Debtors’ insiders. The Committee, therefore, has commenced and continued an ongoing investigation of the Alter & Rosoff Claims, including a review of the Debtors’ records made available to the Committee and discussions with the separate counsel retained by Alter and Rosoff to prosecute the Alter & Rosoff Claims. On October 19, 2010, Alter and Rosoff filed amended proofs of claims reducing the amount of the Alter & Rosoff Claims to approximately \$51.8 million.

10. In connection with the Committee’s ongoing investigation, and from the beginning of discussions concerning the Plan, the Committee has informed the Debtors repeatedly that it believes the estates not only possess meritorious defenses and counterclaims to the Alter & Rosoff Claims, but also may hold potentially valuable claims against the Debtors’ current and former directors and officers, including Alter and Rosoff, and other parties (the “**Estate Claims**”). Once again, however, the Debtors have on numerous occasions informed the Committee that, because of their conflict of interest, they would neither investigate nor take any

action in connection with the Estate Claims.²

11. The Debtors first provided the Committee with a draft of the Plan and Disclosure Statement on August 31, 2010. During discussions concerning the Plan, the Committee requested repeatedly that the Debtors take specific actions and include certain language in the Plan and Disclosure Statement intended to protect the Estate Claims and preserve the value of potentially significant assets of the estates for the benefit of all creditors. Despite the requests of the Committee to revise certain provisions of the Plan and take certain actions with respect to authorization of the filing of the Plan, the Debtors have refused repeatedly, despite being put on notice by the Committee that such refusal is inconsistent with the Debtors' obligation to maximize the value of the estates and recoveries for all creditors.

12. Specifically: (i) the Plan inappropriately and unnecessarily seeks to limit the Estate Claims by providing exculpation to the Debtors' current and former directors and officers for post-petition conduct³ upon Plan effectiveness ("**Exculpation**"); (ii) the Debtors have refused to include sufficient language and disclosures in the Plan and Disclosure Statement to ensure post-confirmation Bankruptcy Court jurisdiction to adjudicate the Estate Claims after such Plan is confirmed ("**Retention of Jurisdiction**"); and (iii) the Debtors, by putting forth the Plan in the manner that they have, appear willing to favor the Alter & Rosoff Claims by failing to mitigate

² While the Debtors were initially responsive to the Committee's requests for records pertaining to the Alter & Rosoff Claims, the Debtors' responsiveness with respect to Estate Claims slowed considerably after their first production in early June 2010 and stopped entirely by late September 2010, despite repeated requests from the Committee for follow-up documentation and information.

³ The language in the Exculpation section of the Plan is ambiguous in that it appears to apply without any temporal restriction. The Committee assumes that the Debtors intended for the Plan's Exculpation provision to be controlling only as to post-petition conduct. Any broader reading of the Exculpation provision so as to provide releases to the Debtors' current and former directors and officers for prepetition conduct would raise other and further concerns about the Plan and Disclosure Statement and would likewise be objectionable and inappropriate under the current circumstances of these Chapter 11 Cases.

sufficiently arguments that the Plan process may trigger a “change in control” or “change of control” under the terms of Advanta’s Supplemental Executive Retirement Plan (the “SERP”), Advanta’s Supplemental Executive Insurance Program (the “SEIP”) and certain other severance plans (collectively, a “Change of Control”), which underlie a significant portion of the Alter & Rosoff Claims.

13. The Committee believes that the Debtors, consistent with their fiduciary obligations, should have taken actions to address each of these issues before filing the Plan. Indeed, the Committee presented several options to address these issues long before the Debtors filed the Plan.

14. First, with respect to Exculpation, the Committee proposed that Exculpation become binding on the estates 180 days after the Plan effective date, except that if the Liquidating Trusts (as defined in the Debtors’ Plan) file claims against an otherwise-exculpated person within that time, Exculpation would not be effective as to that person only with respect to the subject matter of the claims. This reasonable approach is appropriate in light of the Committee’s ongoing investigation into both pre- and post-petition conduct of the Debtors’ current and former directors and officers. The Debtors rejected this proposal with a conclusory assertion that their directors and officers have “earned” Exculpation for their stewardship of these chapter 11 cases. Such assertion was made notwithstanding the facts that: (i) the Debtors have not undertaken any investigation or conducted any assessment of potential claims against their directors and officers; (ii) the Debtors have informed the Committee that they would not investigate the Alter & Rosoff Claims; and, (iii) as discussed below, the Debtors have refused to investigate whether grounds exist to terminate Alter or Rosoff for “cause” under the terms of the benefit and severance plans.

15. Second, the Committee proposed revised Plan language addressing the Retention of Jurisdiction issue. Though the Committee believes that its proposed language meets the legal standards set forth for retention of jurisdiction in this Circuit⁴, the Debtors rejected the Committee's proposals without any reasonable explanation, even after the Committee reminded the Debtors that their primary responsibility was to the estates and their creditors, rather than to the Debtors' insiders.

16. Third, the Committee proposed several options designed to mitigate against a Change of Control and thus potentially mitigate the size of the Alter & Rosoff Claims. Because the Debtors refused to do so, the Committee, with the assistance of its professionals, conducted an extensive analysis of the potential Change of Control issue related to the Alter & Rosoff Claims and proposed certain mechanical changes to the Plan and the Plan approval process to address this issue. Once again, the Debtors rejected the Committee's proposals, without any indication that the Debtors have conducted any independent analysis into the Change of Control issue or the Alter & Rosoff Claims. Instead, the Debtors apparently decided only to defer to proposals advanced by Alter and Rosoff themselves with respect to the Change of Control issue. Thus, discovery is necessary to analyze and assess the directors' and officers' actions with respect to approval of the Plan and the authorization of the filing of the Plan.

17. In letters dated October 25, 2010 (attached hereto as **Exhibit A**) and November 1, 2010 (attached hereto as **Exhibit B**), the Committee reiterated these proposals to the Debtors,

⁴ The Third Circuit has held that the Bankruptcy Court's post-confirmation jurisdiction over non-core matters is limited to situations in which there is a "close nexus" between the terms of the confirmed chapter 11 plan and such non-core matter. *See, e.g., In re Resorts Int'l, Inc.*, 372 F.3d 154, 161, 168-69 (3d Cir. 2005). This Court has provided guidance that a close nexus can be preserved where the plan and disclosure statement identify the non-core claims or potential claims as assets to be liquidated and distributed to creditors. *See, e.g., In re Insilco Tech., Inc.*, 330 B.R. 512, 524 (Bankr. D. Del. 2005) (Carey, C.J.).

identified exactly why these proposals were intended to avoid harm to the estates, and asked that the Debtors' Board of Directors (the "**Board**") either implement the proposals or discuss these important issues with the Committee. The Debtors refused to do either, rejecting each of the Committee's proposals outright as evidenced by the letters dated October 27, 2010 (attached hereto as **Exhibit C**) and November 4, 2010 (attached hereto as **Exhibit D**). The Debtors, however, still have failed to provide any supportable justification for their actions. Given the inherent conflict of interest between the Debtors' fiduciary obligations to protect and preserve potentially valuable assets of their estates for the benefit of all creditors, on the one hand, and the interests of their controlling insiders with respect to the Alter & Rosoff Claims and all of their directors and officers with respect to Exculpation, on the other hand, it appears that the Debtors have decided to advance a Plan that seeks to benefit Alter, Rosoff and the Debtor's other directors and officers at the expense of the estates and creditors as a whole.

18. The Committee has proposed conciliatory revisions to the terms of the Debtors' Plan in an attempt both to broker a compromise and to navigate the Debtors' internal conflicts. While the Committee's proposed revisions have been sound and reasonable, the Debtors have refused to accept, discuss, or negotiate such proposals without any unconflicted explanation for their refusal. Indeed – *without indicating that the Debtors have or intend to conduct any investigation whatsoever of Alter, Rosoff, the Alter & Rosoff Claims or the Estate Claims* – the Debtors responded simply, by letter dated October, 27 2010, that "[t]he Debtors do not believe . . . there is any basis for the Board to conclude that cause exists to terminate the employment of Messrs. Alter or Rosoff," and by letter dated November 4, 2010, that "the Debtors' directors and offices have earned exculpation by successfully guiding the Debtors through their chapter 11 cases." It appears clear that the Debtors' proposed Plan seeks to benefit the Debtors' controlling

insiders at the expense of the estates.

19. In a further demonstration of the Debtors' willingness to use the chapter 11 plan process as a means of favoring their insiders to the detriment of other creditors, once it became clear that the Committee could not support the Debtors' proposed Plan, the Debtors, in retaliation, removed several provisions in the Plan that had conferred consultation, consent and approval rights on the Committee. ***These provisions had been agreed to already among the Debtors and the Committee.*** More specifically, the Plan filed by the Debtors eliminates previously agreed upon Committee consultation, consent and approval rights in the following areas:

- the appointment of the Advanta Trustee (as such term is defined in the Plan) and the Liquidation Trustees;
- the terms of the various trust agreements and actions necessary to form the various trusts as contemplated by the Plan;
- the terms and form of the Confirmation Order (as such term is defined in the Plan), agreements, instruments and other documents necessary to implement the terms and provisions of the Plan and all authorizations, consents, letters, opinions and documents, regulatory approvals and no-action letters, if any, sought by the Debtors in connection with the consummation of the Plan;
- the filing, terms and form of any Plan supplement;
- the modification, amendment, revocation or withdrawal of the Plan or any Plan supplement;
- the terms, schedules, exhibits and form of the Disclosure Statement;
- the terms and form of the Disclosure Statement Order (as such term is defined

in the Plan);

- the determination of the Effective Date (as such term is defined in the Plan);
- the determination of which assets will be set aside as the assets of Reorganized Advanta (as such term is defined in the Plan); and
- the determination of which of the Debtors' executory contracts and leases should be assumed, assigned or rejected and the related determination as to which of the Debtors' compensation and benefits programs should be terminated.

Given that the Debtors' proposed Plan is a liquidating plan and that unsecured creditors are supposed to be the primary beneficiaries of the proposed Plan, the Debtors' removal of the Committee consultation, consent and approval rights in retaliation for the Committee's efforts to protect and preserve potential assets of the Debtors' estates is particularly troubling. Moreover, such actions further support the conclusion that the Debtors are using the chapter 11 plan process to leverage and promote the interests of their own insiders at the expense and to the detriment of all other creditors. Such actions clearly warrant further investigation and discovery.

20. In light of the foregoing, the Debtors' statement in their Exclusivity Motion that "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," is simply not accurate and does not present this Court or the Debtors' creditors with an appropriate characterization of the Committee's objections. First, as highlighted above, the disputes that the Debtors and their

insiders have created with respect to the Plan are critical ones, with a potentially substantial economic impact on the estates and on the potential recovery of creditors in these cases. Second, the Debtors conveniently ignore the fact that in proposing their Plan without satisfactorily addressing the concerns raised by the Committee and in subsequently stripping out the previously bargained for Committee consultation, consent and approval rights, the Debtors are improperly and impermissibly using their exclusivity and the chapter 11 plan process to attempt to (i) advantage the interests of their own insiders and (ii) leverage the Committee and all other creditors into unnecessary and inappropriate concessions. Finally, the Debtors' assertion that the remaining Plan issues can merely be addressed through this Court's adjudication of objections is wrong. Given the nature of issues in dispute and the Debtors' actions to date with respect to the chapter 11 plan process, the Committee believes discovery is necessary and essential in connection with the relief sought by the Debtors in their Exclusivity Motion and their Disclosure Statement Approval Motion.

21. In view of the Debtors' positions and acts of retaliation, it appears that the Debtors are improperly using the chapter 11 plan process and the Debtors' exclusive right to file and propose acceptances for a chapter 11 plan as leverage to secure concessions from the Committee that would diminish the potential value of assets of the estates to benefit the Debtors' insiders, and to impose their demands on unsecured creditors by foreclosing other options. Unless the Debtors agree to the Committee's requests, the Committee, in an effort to protect and preserve the potentially valuable Estate Claims, will be forced to object to the Debtors' Disclosure Statement Approval Motion and oppose and seek to terminate exclusivity in order to file a plan that (i) maximizes the value of the estates, (ii) takes appropriate steps to retain Bankruptcy Court jurisdiction to adjudicate the Estate Claims after confirmation of a chapter 11

plan and (iii) provides creditors with an opportunity to vote for a chapter 11 plan that the Committee supports and that does not favor the interests of the Debtors' officers and directors at the expense of all of the Debtors' other creditors. As such, this Motion seeks a Rule 2004 investigation to permit a full assessment of these issues in connection with the relief sought by the Debtors in the Disclosure Statement Approval Motion and the Exclusivity Motion.

RELIEF REQUESTED

22. By this Motion, the Committee seeks entry of an order, substantially in the form attached hereto as **Exhibit E**, (i) compelling the Debtors to (a) produce documents as set forth on **Exhibit F** attached hereto and (b) designate and produce for deposition upon oral examination Mr. Dennis Alter, Mr. William Rosoff, Mr. Max Botel and any other representatives of the Debtors necessary to these investigations, and (ii) granting such other and further relief as the Court deems just and proper.

23. The Committee requests that (i) such documents be produced to the Committee's counsel in electronic or paper form as soon as possible and in any event on or before **November 16, 2010** at the New York office of Latham & Watkins LLP at 885 Third Avenue, New York, New York 10022 (Attention: Aaron Singer) or at such other location as the parties may agree, and (ii) Mr. Dennis Alter, Mr. William Rosoff, Mr. Max Botel and any other representatives of the Debtors necessary to these investigations appear for deposition upon oral examination at the New York office of Latham & Watkins LLP, or at such other place as the parties may agree upon, after the production of documents on the date above and no later than **November 22, 2010**.

24. The Committee submits that the limited Rule 2004 examination will allow the Committee to discover relevant information that will relate to, among other things:

- the facts and circumstances underlying the Debtors', and the Board's,

decisions to refuse the Committee's requests for modifications to the Plan, Disclosure Statement and methods to authorize a chapter 11 plan that could potentially mitigate against the Alter & Rosoff Claims;

- the facts and circumstances underlying the Debtors', and the Board's, decisions and rationale to remove several negotiated and agreed upon terms from the Plan in the wake of the Committee's longstanding disagreement with the Exculpation, Retention of Jurisdiction and Change of Control provisions of the Plan;
- the Debtors' investigations of, or circumstances surrounding any decisions whether or not to investigate, the Alter & Rosoff Claims and/or the Estate Claims and/or whether grounds exist to terminate Alter and Rosoff for cause;
- more broadly, whether cause exists for the termination of the Debtors' exclusive period in which to propose and solicit acceptances for a chapter 11 plan;
- whether the Debtors' Plan is being proposed in good faith;
- whether the Disclosure Statement appropriately reflects the potential consequences of the acts and omissions that the Debtors' directors and officers have taken with respect to approval of the Plan and the filing of the Plan, including the impact of these acts and omissions on meaningful assets of the estates; and
- the Debtors' existing and potential conflicts of interest with respect to the Alter & Rosoff Claims and the Debtors' positions and actions with respect to the Plan process and the Exculpation, Retention of Jurisdiction and Change of

Control issues.

25. The Rule 2004 examination proposed by the Committee in this Motion is not the subject of any other pending or approved motion and is not currently being addressed by any other Rule 2004 examination.

**CAUSE EXISTS TO COMPEL DOCUMENT PRODUCTION
AND ORAL EXAMINATION**

26. Bankruptcy Rule 2004 provides, in relevant part:

- (a) *Examination on Motion.* On motion of any party in interest, the court may order the examination of any entity.
- (b) *Scope of Examination.* The examination of an entity under this rule or of the debtor under § 343 of the Code may relate only to the acts, conduct, or property, or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor's estate, or to the debtors' right to a discharge. In a . . . reorganization case under chapter 11 of the Code . . . the examination may also relate to . . . the source of any money or property acquired or to be acquired by the debtor for purposes of consummating a plan.

FED. R. BANKR. P. 2004. Moreover, section 105(a) of the Bankruptcy Code permits the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a).

27. The scope of a Rule 2004 examination is “unfettered and broad,” as the wording of the rule indicates. See, e.g., 9 COLLIER ON BANKRUPTCY ¶ 2004.02[1] at 2004-6 (15th ed. rev. 1997) (quoting *In re Table Talk, Inc.*, 51 B.R. 143, 145 (Bankr. D.Mass. 1985). Indeed, the scope of a Rule 2004 examination is far broader than the scope of discovery under Rule 26 of the Federal Rules of Civil Procedure. See, e.g., *Moore v. Lang (In re Lang)*, 107 B.R. 130, 132 (Bankr. N.D. Ohio 1989); *Keene Corp. v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 42 B.R. 362, 364 (S.D.N.Y. 1984) (quoting *In re Frigitemp Corp.*, 15 B.R. 263, 264 n.3 (Bankr.

S.D.N.Y. 1981) for the proposition that Rule 2004 “contemplates a broad and far-reaching inquiry, even a ‘fishing-expedition’”); In re Drexel Burnham Lambert Group, 123 B.R. 702, 711 (Bankr. S.D.N.Y. 1991). Indeed, a Rule 2004 inquiry may “cut a broad swath through the debtor’s affairs, those associated with him, and those who might have had business dealings with him.” In re Johns-Manville, 42 B.R. 362, 364 (S.D.N.Y. 1984) (citing In re Mantolesky, 14 B.R. 973, 976 (Bankr. D. Mass. 1981)).

28. While Rule 2004 provides the examiner the opportunity to “cut a broad swath through the debtor’s affairs,” here, the Committee only seeks discovery of specific information that will permit it to assess the facts and circumstances surrounding the relief sought by the Debtors in their Disclosure Statement Approval Motion and their Exclusivity Motion. The Debtors’ Plan, Disclosure Statement, Disclosure Statement Approval Motion and Exclusivity Motion put at issue a range of facts related to the Debtors’ plan process and use of exclusivity that require investigation. More specifically, the information sought bears directly on, among other issues: (i) the scope of any conflicts between the Debtors’ duties to maximize the value of the estates for all creditors and the self-interest of their controlling insiders; (ii) the facts and circumstances giving rise to the Board’s approval of the Plan and the authorization to file the plan; (iii) the facts and circumstances surrounding the Debtors’ position and rationale with respect to Exculpation, Retention of Jurisdiction and Change of Control; (iv) the facts and circumstances surrounding the Debtors’ failure to assess the alleged Alter & Rosoff Claims and the implications of a Change of Control; and (v) whether the Debtors and their officers and directors proposed and approved the Plan and the filing of the Plan in a good faith effort to fulfill their fiduciary duties under relevant bankruptcy and non-bankruptcy law.

29. Taken together, the Committee seeks to obtain information pertaining to issues that are directly relevant to the relief sought by the Debtors in their Disclosure Statement Approval Motion and their Exclusivity Motion and critical to the resolution of these chapter 11 cases. Accordingly, the information sought by the Committee is well within the proper scope of Rule 2004 discovery and “good cause” exists to permit the Committee to conduct a Rule 2004 examination.

CERTIFICATION OF CONFERENCE

30. In accordance with Local Rule 2004-1, undersigned counsel hereby certifies that prior to filing this Motion, counsel for the Committee notified Debtors’ counsel that it intended to file this Motion and conferred telephonically with counsel for the Debtors to arrange for a mutually convenient time and date for the examination. No agreement could be reached.

31. Throughout the week of November 1, 2010, counsel for the Committee made repeated requests to Debtors’ counsel to identify the appropriate person or persons with whom counsel to the Committee could meet and confer regarding the Committee’s discovery requests. Debtors did not identify such person or persons. Counsel for the Committee then spoke with Debtors’ counsel via telephone on Monday, November 8th and again requested identification of the appropriate person or persons with whom to meet and confer. No information was provided to the Committee during that call. On Tuesday, November 9th, the Committee emailed Debtors’ counsel, again requested a meet-and-confer, and sent Debtors’ counsel a copy of the discovery requests. The Committee reminded Debtors’ counsel that time was of the essence, so that if the parties could not resolve any differences with respect to the requested discovery soon, the Committee would be forced to file this Motion. By noon on November 10th, however, the

Committee learned that the Debtors' counsel had not yet spoken with their client about the requests, and would not do so until that afternoon.

32. In a phone call to Debtors' counsel early afternoon on November 10th, the Committee advised that it would need to file its motion, but that it remains open to meeting and conferring with regards to the discovery requests that are the subject of this Motion. The Committee also informed Debtors' counsel that it would be willing to withdraw the instant Motion to the extent the parties can reach agreement with respect to the requested discovery.

NOTICE

33. Notice of the Motion shall be provided to: (i) the Debtors and their counsel; (ii) the Office of the United States Trustee; and (iii) all parties who have properly filed a notice of appearance in these chapter 11 cases. The Committee submits that no other or further notice need be provided.

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

WHEREFORE, the Committee respectfully requests that the Court enter an order in the form attached hereto as **Exhibit E**, pursuant to Bankruptcy Rule 2004, Local Rule 2004-1 and section 105(a) of the Bankruptcy Code: (i) compelling the Debtors to (a) produce documents as set forth on **Exhibit F** attached hereto and (b) designate and produce for deposition upon oral examination Mr. Dennis Alter, Mr. William Rosoff, Mr. Max Botel and any other representatives of the Debtors necessary to these investigations, and (ii) granting such other and further relief as the Court deems just and proper.

Dated: November 10, 2010

DRINKER BIDDLE & REATH LLP

/s/ Howard A. Cohen
Howard A. Cohen (DE 4082)
1100 N. Market Street, Suite 1000
Wilmington, DE 19801
Telephone: (302) 467-4200
Facsimile: (302) 467-4201
Email: howard.cohen@dbb.com

- and -

LATHAM & WATKINS LLP

Mitchell A. Seider (admitted *pro hac vice*)
Roger G. Schwartz (admitted *pro hac vice*)
Robert J. Malione (admitted *pro hac vice*)
885 Third Avenue, Suite 1000
New York, NY 10003
Telephone: (212) 906-1200
Facsimile: (212) 751-4864
Email: mitchell.seider@lw.com
Email: roger.schwartz@lw.com
Email: robert.malione@lw.com

Counsel to the Official Committee of
Unsecured Creditors

EXHIBIT A

LATHAM & WATKINS LLP

October 25, 2010

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

FIRM / AFFILIATE OFFICES

| | |
|-------------|------------------|
| Abu Dhabi | Moscow |
| Barcelona | Munich |
| Beijing | New Jersey |
| Brussels | New York |
| Chicago | Orange County |
| Doha | Paris |
| Dubai | Riyadh |
| Frankfurt | Rome |
| Hamburg | San Diego |
| Hong Kong | San Francisco |
| Houston | Shanghai |
| London | Silicon Valley |
| Los Angeles | Singapore |
| Madrid | Tokyo |
| Milan | Washington, D.C. |

Re: *In re Advanta Corp., et al.* (Bankr. D. Del. No. 09-13931 (KJC))

Dear Rob:

As you know, the Official Committee of Unsecured Creditors (the "Committee") has been investigating the bases for the Proofs of Claim of Dennis Alter and William Rosoff (claim numbers 2341 and 2342, respectively and as amended) and the facts and circumstances giving rise to potential claims of the estates against Alter, Rosoff and other parties. The Committee has also engaged in discussion and negotiations with the Debtors pertaining to the Debtors' draft Chapter 11 Plan (as amended, modified or supplemented, the "Plan") and Disclosure Statement. Alter's and Rosoff's Proofs of Claims allege claims for benefits under the Supplemental Executive Retirement Plan (the "SERP") and the Supplemental Executive Insurance Program (the "SEIP", together with the SERP, the "Supplemental Plans"). The alleged claims for benefits are predicated, in part, on the assertion by Messrs. Alter and Rosoff that a "Change in Control" or "Change of Control" (collectively, a "COC") has occurred or will occur. Alter and Rosoff may argue that the Supplemental Plans provide for substantially enhanced benefits if a COC occurs while Mr. Alter or Mr. Rosoff is employed by Advanta Corp. The terms of the Supplemental Plans however provide that each will forfeit all his benefits if discharged for "Cause", but only if the discharge occurs prior to a COC. As you also know from our discussions, the Committee believes that Alter and Rosoff may argue, among other things, that the approval by Advanta Corp.'s Board of Directors (the "Board") of the Plan or its filing, or confirmation of the Plan, constitutes a COC under the Supplemental Plans.¹

¹ The Committee disagrees with any such arguments and reserves all of its rights and the rights of the estates with respect to any such arguments. The Committee specifically reserves any and all rights, claims, arguments, and causes of action with respect to Alter, Rosoff, other parties, the Supplemental Plans, and the approval to file, the filing, the contents and the solicitation and Bankruptcy Court approval of the Plan and/or Disclosure Statement. Nothing in this letter shall affect or have any bearing on any of the rights of the Debtors' estates, the Committee or any prospective Trusts or Trustees appointed pursuant to the Plan or otherwise to assert that a COC

LATHAM & WATKINS^{LLP}

The Committee understands that the Board intends to meet on Tuesday, October 26, 2010, to consider approval of the filing of the Plan. The Board's approval to file the Plan under these circumstances could give rise to potential arguments that a COC has occurred and triggered substantial claims to the benefit of Alter and Rosoff, which may subject the estates and creditors to substantial but unnecessary harm. The Committee believes it is incumbent upon the Debtors and the Board, in the exercise of their respective fiduciary duties, to mitigate Alter's and Rosoff's substantial COC-based contingent claims.

Furthermore, the Committee understands that you have expressed a desire to remain "neutral" with respect to Alter's and Rosoff's claims against the estates. Contrary to this desire, however, the Committee believes that a decision by the Board to approve the filing of the Plan without taking action to mitigate against Alter's and Rosoff's COC-based contingent claims would not be neutral. Rather, such a decision potentially would benefit only Alter and Rosoff, while improperly harming the Debtors' estates and creditors. Such a decision would therefore run counter to the Debtors' fiduciary duties to maximize the value of their estates for the benefit of all creditors.

As we have discussed, there are alternatives to Board approval of the filing of the Plan that would mitigate against Alter's and Rosoff's COC-based contingent claims against the estates. These include, but are not limited to:

1. Waiving the Debtors' exclusivity to propose a chapter 11 plan with respect to the Committee and refraining from approving or filing the Plan, so that the Committee could propose its own chapter 11 plan.
2. Conditioning Board approval of the Plan or of the filing of the Plan on a written agreement by Alter and Rosoff to waive the portion of their claims that they may argue arise upon a COC or to waive any claim or argument that Board approval of the Plan or its filing, or confirmation of the Plan, constitute a COC under the Supplemental Plans. In any resolution ultimately approving the filing of the Plan under this scenario, the Board should include express statements that (a) such resolution is conditioned on a written agreement by Alter and Rosoff to waive the portion of their claims that they would argue arise upon a COC or to waive any claim or argument that Board approval of the Plan or its filing, or confirmation of the Plan, constitutes a COC under the Supplemental Plans and (b) the Board's approval of the filing of the Plan is not intended to and shall not constitute a COC under the Supplemental Plans.

In addition to the above, the Committee believes that the Debtors should not take any action with respect to the approval or filing of any plan until after the Board can conduct an investigation into whether sufficient grounds exist to discharge Alter and Rosoff for "Cause" (as such term is used in the Supplemental Plans). The Committee continues to pursue its investigation of facts supporting potential claims against, and discharge for Cause by the

has not occurred, and is not occurring, including, without limitation, by reason of the approval, formulation, filing, prosecution or confirmation of the Plan. Moreover, nothing in this letter shall be deemed to be an admission by the Committee that Board approval of the Plan or of the filing of the Plan constitutes a COC under the Supplemental Plans.

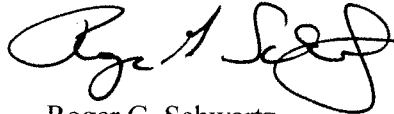
LATHAM & WATKINS^{LLP}

Board of, Alter and Rosoff as well as other parties and based on its investigation, the Committee believes it is appropriate for the Board to conduct its own investigation with respect to such issues. The Committee is available to discuss its investigation confidentially with the independent members of the Board.

The Committee respectfully urges the Board and the Debtors to consider these and other mitigating actions before any Board action is taken with respect to approval or filing of the Plan. We encourage you to share this letter and its contents with the Board in advance of its planned October 26th meeting, and we request the opportunity to work with the Debtors with respect to Alter's and Rosoff's claims asserted against the estates. We believe the Committee should be consulted before any mitigating action is selected or put into effect. To be clear, the Committee believes that Board approval of the filing of the Plan in the absence of affirmative and effective steps (including those outlined in this letter) to mitigate against Alter and Rosoff's COC-based contingent claims against the estates would be contrary to the best interests of the Debtors' estates and their creditors and would not be consistent with the exercise of the Board's and the Debtors' respective fiduciary duties.

The Committee appreciates your time and consideration. As always, the Committee and its professionals are available to discuss all matters pertinent to these cases.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Roger G. Schwartz", written in a cursive style.

Roger G. Schwartz
of LATHAM & WATKINS LLP

EXHIBIT B

LATHAM & WATKINS^{LLP}

FIRM / AFFILIATE OFFICES

| | |
|-------------|------------------|
| Abu Dhabi | Moscow |
| Barcelona | Munich |
| Beijing | New Jersey |
| Brussels | New York |
| Chicago | Orange County |
| Doha | Paris |
| Dubai | Riyadh |
| Frankfurt | Rome |
| Hamburg | San Diego |
| Hong Kong | San Francisco |
| Houston | Shanghai |
| London | Silicon Valley |
| Los Angeles | Singapore |
| Madrid | Tokyo |
| Milan | Washington, D.C. |

November 1, 2010

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

Re: *In re Advanta Corp., et al.* (Bankr. D. Del. No. 09-13931 (KJC))

Dear Rob:

As you are aware, from the outset of Plan¹ discussions, the Committee has expressed serious concerns with respect to a discrete number of issues concerning the Debtors' proposed Plan. In particular, and as we have discussed, the Committee believes that the Debtors' draft Plan puts at risk both (1) potentially valuable claims of the Debtors' estates by providing immediate exculpation to the Debtors' current and former directors and officers upon Plan effectiveness, while a short delay in exculpation – as the Committee has proposed – will enable the Committee and Liquidating Trusts time to investigate further and conduct further negotiations to determine whether they should initiate proceedings to bring any such claims; and (2) post-confirmation Bankruptcy Court jurisdiction to adjudicate such, by failing to include the Committee's straightforward language in the Plan and Disclosure Statement preserving such jurisdiction.

In light of your October 27 Letter and our subsequent discussions, however, we understand that the Debtors currently intend to move forward with the approval and filing of the Plan without addressing the Committee's concerns.² The Debtors have ignored the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in my letter to you dated October 25, 2010 (my "October 25 Letter") or your response to me dated October 27, 2010 (your "October 27 Letter"), as applicable.

² The Committee disagrees with several of the characterizations and representations made in the October 27 Letter and the agreement submitted by Alter and Rosoff attached to that Letter (the "Alter/Rosoff Agreement"), though we do not intend to respond in detail here to every assertion made in your October 27 Letter and the Alter/Rosoff Agreement. The Committee appreciates that the Board considered my October 25 Letter, and understands that, for the benefit of, among others, the Committee and the Liquidation Trusts and Trustees, the Alter/Rosoff Agreement represents their agreement that they (1) will treat the Board's action with respect to authorization and filing of a chapter 11 plan, amendments, and substitutions thereto as if they had been approved and filed by the Committee without the Board's

LATHAM & WATKINS^{LLP}

Committee's requests, as expressed in the October 25, 2010 Letter and in discussions, including that any action by the Board with respect to authorization or filing of a plan be conditioned upon a written agreement by Alter and Rosoff either to waive the portion of their claims that they would argue arises upon a COC under the Supplemental Plans; or to waive any claim or argument that such Board action, or the filing or confirmation of the Plan, constitutes a COC. It now appears that the Debtors are inclined to continue to take actions that favor the Debtors' current and former directors and officers by refusing to adopt the Committee's proposed Plan language pertaining to exculpation and retention of Bankruptcy Court jurisdiction. We urge the Debtors to modify their actions and approach in order to avoid the substantial and unnecessary delay and expense their decisions will create for the Debtors, their estates and their creditors.

If the Debtors continue to ignore the Committee's concerns, the Debtors and the Board should understand that the Committee cannot support the proposed Plan as currently drafted, and in order to protect and preserve potentially valuable assets of the Debtors' estates will advocate against permitting solicitation of the Plan, will contest confirmation of the Plan and will move expeditiously for relief from the Bankruptcy Court for permission to file its own chapter 11 plan. Moreover, if the Debtors insist upon moving forward with the Plan in a form that appears to favor the interests of the Debtors' directors and officers at the expense of the estates, this may well force the Committee to accelerate its investigation and pursuit of the potential claims and causes of action on behalf of the estates against the Debtors' directors, officers and others.

Rather than undertake a course of action that invites unnecessary litigation, cost and delay, the Committee continues to believe that the Debtors can avoid precipitating such an outcome by agreeing to adopt the Committee's reasonable proposals with respect to exculpation and retention of jurisdiction as noted above and previously discussed in detail with the Debtors. The Debtors' refusal to agree to the Committee's requests on these points stands in direct conflict with the articulated goal set forth in your October 27 Letter of "promot[ing] expeditious distributions to the creditors at the minimum cost to the Debtors' estates." Instead, it will have exactly the opposite effect – namely, it will lead to needless but significant expense and delay related to exclusivity and plan litigation solely for purposes of conferring a benefit on the Debtors' officers and directors. Moreover, the Debtors' intransigence on these points lends further support to the conclusion that the Debtors are improperly using the chapter 11 plan process as leverage to attempt to pressure concessions from the Committee that would have the effect of diminishing the potential value of assets of

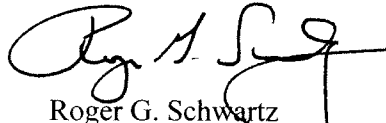
approval for purposes of any of their claims under the Supplemental Plans and (2) will be deemed to be treated as if terminated "For Cause", as defined under the relevant Supplemental Plans, on or before October 31, 2010 prior to the Board's anticipated action with respect to authorization and filing of the chapter 11 plan, if a court enters a final order including a finding that Alter or Rosoff could have been properly terminated "For Cause" on or before October 31, 2010. Nonetheless, neither your October 27 Letter nor the Alter/Rosoff Agreement fully and satisfactorily alleviates the concerns expressed in my October 25 Letter and the Committee expressly reserves all of its claims, rights and remedies with respect to the matters raised in my October 25 Letter.

LATHAM & WATKINS^{LLP}

the estates before such assets can be fully assessed and, if appropriate, pursued.³ As such, we urge the Debtors to reconsider their decision, and thus avoid the substantial time and expense that moving forward with the Plan on a nonconsensual basis will entail.

The Committee remains ready to work with the Debtors and their professionals in order to ensure that the Plan addresses these issues in a manner that is in the best interests of the Debtors' creditors and their estates. If the Debtors are unwilling to do the same, the Committee requests that the Debtors stipulate to termination of the Debtors' exclusivity as to the Committee, and thereby avoid the extensive litigation costs that will be incurred in connection with the Committee's motion to terminate exclusivity. At a minimum, creditors of the Debtors' estates should be given the opportunity to vote on a chapter 11 plan that is supported by the Committee and that does not release or impair potentially valuable assets of the estates prematurely and unnecessarily.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Roger G. Schwartz", written over a horizontal line.

Roger G. Schwartz
of LATHAM & WATKINS LLP

³ The Debtors' positions on these Plan issues are even more troubling given their admission that they have not, and have no intention to, conduct any independent investigation of the potential claims and causes of action from which they are seeking to exculpate their officers and directors and to deprive the Bankruptcy Court of its ability to adjudicate any claims against them.

EXHIBIT C

767 Fifth Avenue
New York, NY 10153-0119
+1 212 310 8000 tel
+1 212 310 8007 fax

Weil, Gotshal & Manges LLP

Robert J. Lemons
+1 212 310 8924
robert.lemons@weil.com

October 27, 2010

BY E-MAIL

Roger G. Schwartz, Esq.
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022

Re: *In re Advanta Corp. et al.* (Bankr. D. Del. No. 09-13931 (KJC))

Dear Roger:

I have shared the letter that you sent me on October 25, 2010 (the "Letter") with the Board¹ and senior management of Advanta Corp. ("Advanta"). The Board has considered the Letter in the context of the current state of the Debtors' chapter 11 cases.

The Debtors do not agree with the Committee's assertion that approval of a chapter 11 plan for Advanta and the other Debtors at this time "would benefit only Alter and Rosoff." To the contrary, approval of a chapter 11 plan now is in the best interests of *all* of the Debtors' creditors. As you know, the Debtors have accomplished their goals in these cases by, among other things, mitigating claims of the FDIC against Advanta, securing the servicing and collection of credit card receivables owned by the Debtors, liquidating many of the Debtors' assets, and taking the steps necessary to liquidate and/or preserve the remaining assets while minimizing the chances of creating additional liabilities. Having accomplished these goals, it is incumbent on the Debtors to propose and implement a chapter 11 plan in order to begin distributions to their creditors, who have already been waiting for nearly a year. Additionally, implementation of a plan will increase distributions to creditors by conserving the Debtors' resources through reducing professional fees and further streamlining the Debtors' staffs.

The Board has carefully considered the Letter's request that the Board take action to mitigate claims asserted by Messrs. Alter and Rosoff. The Letter has requested that rather than approve a chapter 11 plan, the Board should consider, among other things, (i) waiving the Debtors' exclusive right to file a chapter 11 plan to allow the Committee to propose its own chapter 11 plan and (ii) investigating terminating Alter and Rosoff "for cause" prior to approving a chapter 11 plan. The Debtors do not believe that they should forego their statutory right to propose a chapter 11 plan or that there is any basis

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Letter.

for the Board to conclude that cause exists to terminate the employment of Messrs. Alter or Rosoff. Nonetheless, the Debtors have obtained delivery from Messrs. Alter and Rosoff of the letter attached as Exhibit A to this letter (the "Alter/Rosoff Letter"), which achieves the effect of the Committee's suggestions. The Alter/Rosoff Letter has the effect, for purposes of claims Messrs. Alter and Rosoff assert under the Supplemental Plans, of (i) treating the Board's anticipated approval of the chapter 11 plan and authorization of the filing of such plan and any subsequent amendments or substitutions as having no different effect than if such chapter 11 plan, amendments, and substitutions thereto had been approved and filed by the Committee without the Board's approval of such chapter 11 plan or authorization of the filing of such chapter 11 plan and any subsequent amendments or substitutions thereto, and (ii) deeming Messrs. Alter and/or Rosoff to be treated as if terminated "For Cause" on October 31, 2010, prior to the Board's anticipated approval of the chapter 11 plan, if a court of competent jurisdiction enters a final, nonappealable order including a finding that Messrs. Alter and/or Rosoff, as applicable, could have been properly terminated on October 31, 2010 "For Cause," as such term is used in the SERP or the SEIP, as applicable. While the Debtors are not aware of any basis for the Board to discharge Messrs. Alter and/or Rosoff "For Cause" or to conduct an investigation as to whether such grounds exist, given the terms of the Alter/Rosoff Letter such investigation is further unwarranted and would only be a distraction resulting in unnecessary cost and delay, which would only be detrimental to creditors.

Implementation of the chapter 11 plan should proceed independently of resolution of any claims of Messrs. Alter or Rosoff. As with all unresolved claims against the Debtors, the chapter 11 plan will preserve the ability of the liquidating trustees appointed pursuant to its terms to object to any claims of Messrs. Alter or Rosoff. Additionally, the Alter/Rosoff Letter preserves the ability of the liquidating trustees to investigate and pursue any claims that Messrs. Alter and/or Rosoff should have been terminated for cause prior to the chapter 11 plan's approval. There is no legitimate reason to delay proposing a chapter 11 plan. Any delay at this point would just be an inappropriate tactic against Messrs. Alter and Rosoff to the detriment of all of the Debtors' creditors.

In light of the foregoing and the impending expiration on November 5, 2010 of the Debtors' exclusive period to file a chapter 11 plan, the Board has scheduled a meeting to consider approval of Advanta's chapter 11 plan on November 1, 2010. The Debtors' preference, of course, is to file a chapter 11 plan that is supported by the Committee. The Debtors have agreed to nearly all of the Committee's comments to the plan to date and we believe that the draft of the plan most recently shared with the Committee accommodates all of its concerns that can legitimately be accommodated in the plan. To the extent that the Debtors and the Committee are unable to reach agreement on a consensual plan prior to the Board's upcoming meeting, the Board must nevertheless consider approval of a chapter 11 plan at the meeting to fulfill its fiduciary duties. The Debtors urge the Committee (and we invite you, of course to share this letter and its exhibit with the Committee) to work cooperatively with the Debtors towards this goal consistent with the Committee's fiduciary duty to all of its constituents to promote expeditious distributions to the creditors at the minimum cost to the Debtors' estates.

Roger G. Schwartz, Esq.
October 27, 2010
Page 3

Weil, Gotshal & Manges LLP

Consistent with its actions to date, the Board has and will continue to address all matters appropriately and to meet its fiduciary duties.

Yours truly,

Robert J. Lemons (vv)

Robert J. Lemons

Exhibit A

Dennis Alter
William Rosoff

November 1, 2010

To: Max Botel
Thomas Costello
Dana Becker Dunn
Ronald Lubner
Michael A. Stolper

Dear fellow Board members:

By this letter, each of us hereby confirms that (x) the approval by the Board of Directors (the "Board") of Advanta Corporation ("Advanta") of the chapter 11 plan for Advanta on November 1, 2010 and (y) the authorization by the Board on November 1, 2010 of the filing of a chapter 11 plan by Advanta and any subsequent amendments or substitutions thereto shall, for purposes of any claims that either of us has asserted or may assert as a result of the occurrence of a "Change of Control," including, without limitation, claims under the Advanta Corp. Supplemental Executive Retirement Plan for the Benefit of Dennis Alter (the "SERP") and the Advanta Corp. Supplemental Executive Insurance Program (the "SEIP") as a result of a "Change of Control" (as such term is used in each of the SERP and SEIP, respectively), have no different effect than if such chapter 11 plan, amendments, and substitutions thereto had been approved and filed by the official committee of unsecured creditors appointed in Advanta's chapter 11 case (the "Creditors' Committee") without the Board's approval of such chapter 11 plan or authorization of the filing of such chapter 11 plan and any subsequent amendments or substitutions thereto.

Additionally, although any possible assertion that cause exists for the termination by Advanta of either of our employments would be completely spurious:

(1) Dennis Alter hereby confirms that if a court of competent jurisdiction enters a final, nonappealable order including a finding that he could have been properly terminated on October 31, 2010 "For Cause" as such term is used in the SERP, Dennis Alter shall for purposes of any claims he has asserted or may assert in respect of the SERP be treated as if he had been terminated "For Cause" on October 31, 2010;
and


(2) each of us hereby confirms that if a court of competent jurisdiction enters a final, nonappealable order including a finding that either of us could have been properly terminated on October 31, 2010 for "Cause," as such term is used in the SEIP, whichever of us such finding is applicable to shall for purposes of any claims he has asserted or may assert in respect of the SEIP be treated as if he had been terminated for "Cause" on October 31, 2010. The appropriate courts will act in lieu of the "Committee," as defined in the SEIP, for this purpose.

November 1, 2010
Page Two

Finally, each of us confirms that (i) this letter may be enforced by Advanta, its chapter 11 estate, the Creditors' Committee, or any liquidating trustee appointed under the terms of the chapter 11 plan and (ii) the order confirming the chapter 11 plan may incorporate the terms of this letter.

Sincerely,

Dennis Alter


William Rosoff

cc: Jay Dubow, Esq.
Marcia Goldstein, Esq.
Robert Lemons, Esq.
Roger Schwartz, Esq.

EXHIBIT D

767 Fifth Avenue
New York, NY 10153-0119
+1 212 310 8000 tel
+1 212 310 8007 fax

Weil, Gotshal & Manges LLP

Robert J. Lemons
+1 212 310 8924
robert.lemons@weil.com

November 4, 2010

BY E-MAIL

Roger G. Schwartz, Esq.
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834

Re: *In re Advanta Corp., et al.* (Bankr. D. Del. No. 09-13931 (KJC))

Dear Roger:

As you know, after consideration of the current state of the Debtors' chapter 11 cases, and taking into account the letter that you sent me on November 1, 2010 (the "November 1, 2010 Letter"),¹ Advanta's Board approved a chapter 11 plan for Advanta on November 1, 2010, and the Debtors filed a proposed chapter 11 plan (the "Plan") and disclosure statement (the "Disclosure Statement") with the Court on November 2, 2010. Regardless, the Debtors are compelled to respond to points raised in the November 1, 2010 Letter and I invite you to share this letter with the Committee.²

Contrary to the assertions in the November Letter, the Debtors have not ignored the Committee's requests as expressed in discussions and in the October 25, 2010 Letter. The primary request in the October 25, 2010 Letter was that the Board delay approval of a chapter 11 plan to provide time to consider factors to potentially mitigate COC claims of Messrs. Alter and Rosoff. The October 25, 2010 Letter proposed a number of alternative options, including that the Committee be permitted to file a chapter 11 plan and that the Board conduct an investigation of whether cause exists to terminate the employment of Messrs. Alter and Rosoff. As I detailed in the October 27, 2010 Letter, the Board has addressed those concerns by procuring from Messrs. Alter and Rosoff the letter attached as an exhibit to the October 27, 2010 Letter. As discussed in more detail in the October 27, 2010 Letter, the letter from Messrs. Alter and Rosoff gives the Committee the equivalent of what it sought and obviates any

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in your letter to me dated October 25, 2010 (the "October 25, 2010 Letter"), my letter in response dated October 27, 2010 (the "October 27, 2010 Letter"), or the November 1, 2010 Letter, as applicable.

² Of course, the failure of the Debtors to respond in this letter to any specific point in the November 1, 2010 Letter should not be construed as the Debtors' agreement to any aspects of the November 1, 2010 Letter.

arguments that the Board should conduct an investigation of Messrs. Alter and Rosoff.³ The approval of the Plan did nothing to prejudice any ability of the Committee or, after the effectiveness of the Plan, the liquidating trustees to investigate and pursue any claims that cause existed to terminate the employment of Messrs. Alter and Rosoff prior to the Board's approval of the Plan. Any investigation by the Board would be redundant and would create wasteful costs and distractions at a time when the Debtors are trying to emerge for the benefit of their creditors. Accordingly, such an investigation by the Board would have no purpose other than to harass Messrs. Alter and Rosoff as an inappropriate tactic to gain leverage over them in discussions over the claims they have filed against Advanta.

Based on the foregoing and discussions with you, the Debtors are aware of only two points of disagreement between the Debtors and the Committee with respect to the Plan and Disclosure Statement. The first point is the Committee's insistence that the Debtors' directors' and officers' customary plan exculpation effectively be eliminated by being subject to claims asserted by the Committee or liquidating trustees for a period after the Plan's effective date. The Debtors do not believe that there is any legitimate basis to deny their directors and officers the exculpation protection provided to virtually every director and officer under a chapter 11 plan. In this case, the Debtors' directors and officers have earned exculpation by successfully guiding the Debtors through their chapter 11 cases. Creditor recoveries have been maximized by the Debtors' careful stewardship of their assets and successful and aggressive handling of critical issues with the FDIC. The Debtors have voluntarily excepted from the exculpation the Board's approval of Advanta's liquidation in December 2009, and the Committee has not identified any other postpetition action of any of the Debtors' directors or officers with which it takes issue. Regardless, the entitlement of the directors and officers to exculpation is purely a legal issue that should not create a disagreement between the Debtors and the Committee. The Debtors offered the Creditors Committee the opportunity to support the Plan with the Disclosure Statement indicating that the Committee reserved the right to ask the court for a substitute exculpation provision. The Committee will still have the right to object to the Plan's exculpation provisions and the Court will decide the extent to which the directors and officers are entitled to exculpation.

The second material point of disagreement is over what language in the Plan and Disclosure Statement is necessary to retain jurisdiction by the Court over any claims that the Debtors' estates may have against directors and officers. The Debtors believe that the Plan and Disclosure Statement contain sufficient language to preserve jurisdiction and that adding additional language would be unnecessarily inflammatory. Additionally, as I mentioned to you, Messrs. Alter and Rosoff have agreed that they would deliver a letter to the Debtors waiving arguments that the Court does not have jurisdiction over

³ Contrary to the assertion in the November 1, 2010 Letter, the Board cannot delay approval of a chapter 11 plan until Messrs. Alter and Rosoff waive COC claims. As you know, neither the Board nor the Debtors can force such a waiver, and continued delays in the plan process only hurt the creditors. It would not be appropriate for the Debtors to insist on *any* creditor waiving its rights as a condition to going forward with a chapter 11 plan for the benefit of all creditors. Messrs. Alter and Rosoff have whatever rights to which their agreements and any applicable facts entitle them, the liquidating trustees will have the ability to challenge those rights, and, absent a settlement, the Court will ultimately decide whether to allow or disallow their claims.

any claims of the Debtors' estates against them. But, like the exculpation issue, this is purely a legal issue that can be resolved by the Court. The Debtors will, of course, include any additional language on this issue if required by the Court.

The Debtors' chapter 11 cases are more than a year old and the Debtors have successfully accomplished all of their goals in chapter 11. All that remains is the claims resolution process, the stewardship and liquidation of remaining assets, and distributions, all of which will be most effectively done (as in most liquidating chapter 11 cases) by a liquidating trustee after the Plan's effectiveness. By any measure, it is time for the Debtors to pursue their exit from chapter 11. Delaying the Debtors' emergence will only increase costs to the detriment of the vast majority of the Debtors' creditors, and in particular the retail note holders who stand to get most of their money back and who are most damaged by delay and incremental losses. Only the trust preferred note holders, who have contractually agreed to subordinate their claims to claims of the retail note holders, potentially materially benefit.

Accordingly, while the Debtors of course would prefer that the Committee support the Plan, the Debtors believe it is incumbent on them to pursue the Plan's confirmation with or without the Committee's support. Additionally, the Debtors cannot agree to the Committee's request that the Debtors agree to terminate exclusivity to allow the Committee to file a competing chapter 11 plan. The Debtors believe that the Plan provides the best mechanism for the maximum and earliest distributions to creditors and that competing plans will create additional costs and delays that will not benefit the creditors. The Debtors and the Committee do not even appear to have any disputes over the Plan's economics. If the Committee continues to take issue with aspects of the Plan or Disclosure Statement, the Debtors believe that the creditors would be better served by the Committee pursuing any objections through the normal Court processes.

Yours truly,

A handwritten signature in dark ink, appearing to be 'Robert Lemons', with a long horizontal flourish extending to the right.

Robert Lemons

EXHIBIT E

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

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

**ORDER GRANTING THE MOTION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR EXPEDITED RELIEF TO CONDUCT
EXAMINATIONS OF THE DEBTORS PURSUANT TO RULE 2004
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

UPON CONSIDERATION OF the Motion of the Official Committee of Unsecured Creditors (the “**Committee**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), to conduct examination of the Debtors pursuant to Bankruptcy Rule 2004 (the “**Motion**”), filed by the Committee; due notice having been given under the circumstances; and the Court having considered any opposition to the Motion and determined that cause exists to grant the Motion;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtors shall respond to the document requests attached as **Exhibit F** to the Motion and produce such documents to the Committee on or before November 16, 2010.

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**”), 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).

3. Mr. Dennis Alter, Mr. William Rosoff, Mr. Max Botel and any other representatives of the Debtors necessary to these investigations shall appear for deposition upon oral examination at the New York office of Latham & Watkins LLP, or at such other place as the parties may agree upon, not later than November 22, 2010.

4. Notwithstanding the possible applicability of FED. R. BANKR. P. 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. This Court shall retain jurisdiction over all matters arising from or relating to this Order or the Motion.

Dated: November ____, 2010
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**REQUESTS TO DEBTORS PURSUANT TO FEDERAL RULE OF BANKRUPTCY 2004
AND LOCAL BANKRUPTCY RULE 2004-1**

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors in possession (the “Debtors”) hereby requests that Debtors produce documents and that certain of the Debtors’ representatives as identified below or as supplemented through the course of discovery appear for deposition upon oral examination. Documents must be produced to the Committee’s counsel in electronic or paper form in accordance with the below instructions as soon as possible and in no event later than **November 16, 2010** at the New York office of Latham & Watkins LLP at 885 Third Avenue, New York, New York 10022 (Attention: Aaron Singer) or at such other location as the parties may agree, and Mr. Dennis Alter, Mr. William Rosoff, and Mr. Max Botel (and any other representative of the Debtors necessary to these investigations, as may be determined through further discovery) must appear for deposition upon oral examination at the New York office of Latham & Watkins LLP, or at such other place as the parties may agree upon, following such document production and in no event later than **November 22, 2010**.

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**”), 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).

DEFINITIONS

The terms used herein shall have the meaning ascribed to them in the definitions set forth below.

1. “Advanta” shall mean Advanta Corp., a Delaware corporation.
2. “Alter” shall mean Dennis Alter.
3. “Alter & Rosoff Claims” shall mean any and all Claims and/or potential Claims of Alter and/or Rosoff, including, without limitation, any Proofs of Claims filed in connection with any employment agreement, any indemnification claim, the OCSP, the SEIP, the SERP and/or the SMCOC.
4. “Alter/Rosoff Agreement” shall mean the letter signed by Alter and Rosoff, dated November 1, 2010, and attached to the letter from Robert J. Lemons of Weil, Gotshal & Manges LLP to Roger G. Schwartz of Latham & Watkins LLP, dated October 27, 2010.
5. “Board & Committee Materials” shall mean all minutes, resolutions, agendas and materials presented to, reviewed by or created by the Board of Directors of the Debtors or any committee or subcommittee of the Debtors.
6. “Board” shall refer to the current and/or former Board of Directors of Advanta.
7. “Chapter 11 Cases” shall mean the cases commenced by the Debtors under Chapter 11 of the Bankruptcy Code, styled as “In re Advanta Corp., et al.”, which have been jointly administered by order of the United States Bankruptcy Court for the District of Delaware under case number 09-13931 (KJC).
8. “Claim(s)” shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

9. “COC” shall mean “change in control” or “change of control” as such term may be used and/or defined in the OCSP, the SEIP, the SERP and/or the SMCOC.

10. “Communication(s)” shall mean each and every manner of transmitting information, facts, opinions or thoughts in any form, whether orally, in writing, electronically, or otherwise, by any means whatsoever, including, without limitation, by memorandum, letter, note, mail, telephone, facsimile transmission, telex, telecopy, email text messages or other electronic communication, or by any other means.

11. “Compensation and Benefits Programs” shall mean all employment and severance policies, workers’ compensation programs, and all compensation, bonus, and benefits plans, policies, programs, and arrangements of the Debtors applicable to their present and former employees, officers and directors, including, without limitation, all savings plans, cash and equity or equity-based incentive plans, retirement plans, health care plans, disability plans, and life, accidental death and dismemberment insurance plans.

12. “Concerning” shall mean, without limitation, relating to, referring to, describing, evidencing, constituting, in connection with, with respect to or reflecting.

13. “Creditors’ Committee” shall mean the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code.

14. “Debtors” shall mean Advanta and the additional debtors who commenced the Chapter 11 Cases.

15. “Disclosure Statement” shall mean any disclosure statement under Chapter 11 of the Bankruptcy Code relating to the Plan, including, without limitation, all exhibits and schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time, including, without limitation, that certain Disclosure Statement For Debtors’ Joint Plan

under Chapter 11 of the Bankruptcy Code filed by the Debtors in the Chapter 11 Cases on November 2, 2010.

16. “Document(s)” is intended to have the broadest possible meaning under Rule 34 of the Federal Rules of Civil Procedure and includes both documents and electronically stored information stored in any medium from which information can be obtained either directly or after translation into a reasonably usable form including, without limitation, any writings, drawings, graphs, charts, photographs, phone records, electronic, recorded, digitally encoded, graphic, and/or other data compilations from which information can be obtained, translated if necessary, by You through detection devices into reasonably usable form, or other information, including originals, translations and drafts thereof and all copies bearing notations and marks not found on the original. The term “Document” also includes, without limitation, affidavits, analyses, appointment books, appraisals, articles from publications, business plans, drafts, work papers, books, books of account, account statements, cables, calendars, charts, checks (cancelled or uncanceled), check stubs, confirmations, contracts, correspondence, credit card receipts, desk calendars, desk pads, diaries, diskettes, drafts, electronic mail, estimates, evaluations, filings, financial statements, forms, invoices, journals, ledgers, letters, lists, memoranda, minutes, notations, notes, opinions, orders, pamphlets, papers, executives’ and employees’ personnel files, executives’ and employees’ review check lists, permanent files, pictures, press releases, projections, prospectuses, publications, receipts, recordings of conferences, conversations or meetings, reports, statements, statistical records, studies, summaries, tabulations, telegrams, telephone records, telex messages, transcripts, understandings, videotapes, vouchers, work papers, and sheets or items similar to any of the foregoing however denominated. The term “Document” further means any document now or at any time in the Debtors’ possession,

custody, or control (together with any predecessors, successors, or divisions thereof, and their officers, directors, employees, agents and attorneys). Without limiting the term “control” as used in the preceding sentence, a person is deemed to be in control of a Document if the person has the right to secure the Document or a copy thereof from another person having actual possession thereof, including, but not limited to, work product contracted by the Debtors from third party consultants and advisors. Any Document with any marks such as initials, comments, or notations of any kind is not deemed to be identical to one without such marks and is a separate Document within the meaning of this term.

17. “Estates’ Claims” shall mean any and all Claims, avoidance and subordination actions, demands, rights, actions, rights of action, causes of action, affirmative defenses, rights of setoff, offsets, powers, privileges, third-party claims, counterclaims, cross-claims, suits and/or other defenses, claims, or rights of recovery, excluding Intercompany Claims.

18. “Exclusivity” shall mean the period during which the Debtors alone have the right to file and solicit acceptances for a chapter 11 plan as described in 11 U.S.C. § 1121, as may be extended by the Bankruptcy Court.

19. “Insiders” shall have the meaning ascribed in 11 U.S.C. § 101(31).

20. “Investigations” shall mean any consideration, analysis, evaluation, review, assessment and/or action to examine possible Claims of Insiders of the Debtors (excluding Intercompany Claims), Estates’ Claims and/or the possibility of terminating Alter and/or Rosoff for cause, including, without limitation, as “Cause” is defined in the SERP and the SEIP.

21. “Intercompany Claims” shall mean any Claims among Advanta, its subsidiaries and/or its affiliates.

22. “OCSP” shall mean Office of the Chairman Supplemental Compensation Program effective on May 22, 1997, including any predecessors and/or as subsequently amended, modified or supplemented.

23. “Person(s)” shall mean any natural person or any business, legal or government entity or association.

24. “Plan” shall mean any plan under Chapter 11 of the Bankruptcy Code as filed in the Chapter 11 Cases, including, without limitation, exhibits and schedules attached thereto, contained in any plan supplement or as such plan may be amended or modified from time to time, including, without limitation, that certain Debtors’ Joint Plan Under Chapter 11 of the Bankruptcy Code filed by the Debtors in the Chapter 11 Cases on November 2, 2010.

25. “Proofs of Claims” shall mean any and all proofs of claim, including any and all amendments thereto, filed by Alter and/or Rosoff in the Chapter 11 Cases.

26. “Potential Defendants” shall mean the former and/or current officers, directors, employees, insiders, agents, advisors, attorneys, accountants, auditors, investment bankers, consultants or professionals of any Debtor, including, without limitation: Alter, Robert Blank, Chad Blue, Max Botel, Philip Browne, Christopher Carroll, Tom Costello, Jay Dubow, Dana Becker Dunn, Anne Howley, Ronald Lubner, Elizabeth Mai, John Moore, Olaf Olafsson, Robert Rock, Rosoff, Michael Stolper, David Weinstock and Cathy Wilson.

27. “Rosoff” shall mean William Rosoff.

28. “SEIP” shall mean the Advanta Corp. Supplemental Executive Insurance Program effective on April 2, 2007, including its predecessors and/or as subsequently amended, modified or supplemented.

29. “SERP” shall mean the Advanta Corp. Supplemental Executive Retirement Plan effective on February 11, 2005, including its predecessors and/or as subsequently amended, modified or supplemented.

30. “SMCOC” shall mean the Senior Management Change of Control Severance Plan Amended and Restated as of April 2, 2007, including its predecessors, related plans and/or as subsequently amended, modified or supplemented.

31. “Trustee(s)” shall mean any and all actual or contemplated trustees or co-trustees, as the case may be, governing the Trusts and/or as otherwise defined, used or contemplated in connection with the Plan and/or the Chapter 11 Cases.

32. “Trusts” shall mean any and all liquidating trusts established under the Plan or as contemplated during the Chapter 11 Cases.

33. “You” shall mean the Debtors.

INSTRUCTIONS

1. In accordance with Rule 34(a) of the Federal Rules, and Rule 7034(a) of the Bankruptcy Rules, these Requests for Production shall be deemed to include any Document now or at any time in the Debtors’ possession, custody or control, including, but not limited to, any of their respective employees, agents, attorneys, advisors, including financial advisors, or other Person(s) acting or purporting to act on their behalf.

2. In accordance with Rule 26(e) of the Federal Rules and Rule 7026 of the Bankruptcy Rules, each Request for Production of Documents shall be deemed to be continuing in nature. If at any time additional, responsive Documents come into the Debtors’ possession, custody or control, then the responses to these Requests for Production shall be promptly supplemented.

3. In accordance with Rule 34(b) of the Federal Rules and Rule 7034(b) of the Bankruptcy Rules, Documents shall be produced in the manner in which they are maintained in the ordinary course of business or shall be organized and labeled to correspond with the categories in this set of Requests for Production. A Request for Production of a Document shall be deemed to include a request for any and all file folders within which the Document was contained, transmittal sheets, cover letters, exhibits, enclosures or attachments to the Document in addition to the Document itself.

4. All electronically stored information must be produced in accordance with the following specifications:

- a. Form of Production. Electronically stored information shall be produced in single-page tiff format with comma-delimited metadata, including all fields. Name each tiff file with a unique name matching the Bates number labeled on the corresponding page. Group every 1,000 tiffs into a separate folder, and do not create a separate folder for each Document.
- b. Image Load File. Provide an image load file (Opticom file) that contains document boundaries.
- c. Document Text. For Documents that were originally stored as native electronic files and which do not have redactions, the extracted (not OCR'd), full text form the body of each Document shall be produced in separate .txt files named for the Bates number of the associated image, in the same directory as the image. For Documents that were originally stored as native electronic files and which have redactions, the OCR text shall be produced for the redacted image(s) associated with each Document, in separate .txt files named for the Bates number of the

associated image, in the same directory as the image. Any redacted material shall be clearly labeled to show the redaction on the tiff image.

- d. Native Production For Certain File Types. For files created by Excel or other spreadsheet programs, PowerPoint or other special presentation programs, database files, or any other file types that reasonably require viewing in their native format for a full understanding of their content and meaning, produce the files in native format in addition to tiff format. The produced file shall be named with the Bates number on the first page of the corresponding tiff production of the Document.
- e. De-duplication. Produce a single, unique copy of a given email message and its attachments or stand-alone file, with a field of semi-colon delimited references to each custodian/location in which a copy originally appeared. For email messages, please consolidate duplicates based on MD5 hash generated from BCC, Body, CC, From, IntMsgID, To, Attach (semicolon delimited string of first-level attachments to the email) properties. For email attachments and stand-alone electronic files, please consolidate duplicates based on MD5 hash of the entire file.
- f. Metadata. Please produce extracted metadata for each Document in the form of a .dat file, including the following fields (where applicable): bates range begin, bates range end, bates family range begin, bates family range end, email subject line, file name, email sent date, email sent time, created date, created date time, last modified date, last modified time, author, from, to, CC, BCC, custodian,

source, source folder, MD5 hash value, native file path location, and confidentiality designation.

5. Documents shall be produced in such fashion as to identify the department, branch or office in which they were located and, where applicable, the natural person in whose possession they were found.

6. Any Document withheld from production based on a claim of privilege or any similar claim shall be identified by (1) the type of Document, (2) the general subject matter of the Document, (3) the date of the Document, (4) the author and recipient(s), where applicable, of the Document, (5) the nature of each claim of privilege shall be set forth and (6) such other information as is sufficient to identify the Document including, where not apparent, the relationship of the author and the addressee to each other.

7. Documents attached to each other should not be separated for production.

8. Documents not otherwise responsive to these discovery requests shall be produced if such Documents mention, discuss, refer to or explain the Documents which are called for by this discovery request.

9. The fact that a Document is produced by another party, or that the Debtors believe they have provided a Document to the Creditors' Committee previously, does not relieve the Debtors of the obligation to produce their copy of the same Document, even if the two Documents are identical.

10. In producing Documents and other materials, the Debtors are requested to furnish all Documents or things in their possession, custody or control, regardless of whether such Documents or materials are possessed directly by the Debtors or their current and/or former directors, officers, agents, employees, representatives, subsidiaries, managing agents, affiliates,

accountants, investigators or by their current and/or former attorneys, advisors, including financial advisors or their agents, employees, representatives or investigators.

11. If You object to any part of any request, You shall state fully in writing the nature of the objection. Notwithstanding any objections, You shall nonetheless comply fully with the other parts of the request not objected to.

12. Each Request for Production shall be construed independently and not with reference to any other request for the purpose of limitation.

13. The terms “all” and “each” shall be construed as “all and each.”

14. The connectives “and” and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the Request for Production all responses that might otherwise be construed to be outside of its scope.

15. The use of the singular form of any word includes the plurals and vice versa. The past tense shall include the present tense and vice versa.

RELEVANT TIME PERIOD

Unless otherwise stated, the relevant time period for each of the following requests is from and including the earlier of January 1, 2008 or the first date on which the Debtors considered filing for chapter 11 protection or other restructuring, reorganization or liquidation options, to the present.

REQUESTS FOR PRODUCTION

REQUEST NO. 1

All Documents and Communications Concerning the Alter & Rosoff Claims.

REQUEST NO. 2

All Documents, Communications, and Board & Committee Materials Concerning termination of Alter and/or Rosoff for cause (including, but not limited to, “Cause” as such term is used in connection with the OCSP, the SERP, the SEIP and/or the SMCOC), including, without limitation, all Documents and Communications Concerning the effect of terminating or not terminating Alter and/or Rosoff for cause on any or all of the Alter & Rosoff Claims.

REQUEST NO. 3

All Documents, Communications, and Board & Committee Materials Concerning the Investigations by the Debtors and/or the Creditors’ Committee and/or any other Person, including, without limitation, any and all Documents and Communications Concerning whether to undertake the Investigations with respect to Potential Defendants.

REQUEST NO. 4

All Documents and Communications Concerning the Alter/Rosoff Agreement, or the subject matters addressed in the Alter/Rosoff Agreement.

REQUEST NO. 5

All Documents and Communications Concerning the October 25, 2010 letter from Roger G. Schwartz of Latham & Watkins LLP to Robert J. Lemons of Weil, Gotshal & Manges LLP, or the subject matters addressed in that letter.

REQUEST NO. 6

All Documents and Communications Concerning the October 27, 2010 letter from Robert J. Lemons of Weil, Gotshal & Manges LLP to Roger G. Schwartz of Latham & Watkins LLP, attaching the Alter/Rosoff Agreement, or the subject matters addressed in such letter or the Alter/Rosoff Agreement.

REQUEST NO. 7

All Documents and Communications Concerning the November 1, 2010 letter from Roger G. Schwartz of Latham & Watkins LLP to Robert J. Lemons of Weil, Gotshal & Manges LLP, or the subject matters addressed in that letter.

REQUEST NO. 8

All Documents and Communications Concerning the November 4, 2010 letter from Robert J. Lemons of Weil, Gotshal & Manges LLP to Roger G. Schwartz of Latham & Watkins LLP, or the subject matters addressed in that letter.

REQUEST NO. 9

All Documents and Communications, including drafts and supporting Documents and/or analyses, Concerning the Plan and/or Disclosure Statement, including, without limitation:

- a. Any and all draft Plans and Disclosure Statements.
- b. All Documents and Communications delivered to, received by, transmitted by, created by or reviewed by Alter and/or Rosoff regarding the Plan or Disclosure Statements, including any terms of the Plan and potential terms of the Plan.
- c. All Documents and Communications Concerning (1) exculpation of any Person from potential liability to the Debtors or their estates, (2) releases of any Person from potential liability to the Debtors, their estates or third parties, (3) jurisdiction of the Bankruptcy Court over the Estates' Claims; (4) preservation of any and all Estates' Claims; (5) Claims of Insiders (excluding Intercompany Claims); and/or (6) COC.
- d. All Documents and Communications Concerning the deadlines for filing the Plan or Disclosure Statement and/or the Debtors' Exclusivity periods.

- e. All Documents and Communications Concerning subordination (equitable or otherwise) of any Claims of current and/or former officers, directors, Insiders, employees and/or consultants of Debtors, excluding Intercompany Claims.
- f. All Documents and Communications Concerning discussions, Communications or negotiations with or comments or Documents provided by the Creditors' Committee with respect to the Plan and/or Disclosure Statement, or the matters addressed in the Plan and/or Disclosure Statement.
- g. All Documents and Communications Concerning the Board authorization or approval of the Plan and/or Disclosure Statement, including, without limitation, all Documents and Communications Concerning alternatives and considered and/or potential alternatives to the Board authorization or approval of the Plan and/or Disclosure Statement.
- h. All Documents and Communications Concerning the Debtors' or Board's fiduciary duties in connection with the approval or authorization of the Plan.
- i. All Documents and Communications Concerning the costs of the Chapter 11 Cases, including, without limitation, any and all analyses of administrative expenses and/or delays that could be incurred Concerning the Plan, Disclosure Statement, Debtors' Exclusivity and any and all related matters.
- j. All Documents and Communications Concerning potential liability of and potential or actual Estates' Claims against the Debtors' current and/or former officers and/or directors in connection with Board approval or authorization of the Plan and/or filing of the Plan.

- k. All Documents and Communications Concerning potential liability and potential or actual Estates' Claims against the Debtors' current and/or former officers and/or directors in connection with the Board's alleged approval of liquidation on or about December 10, 2009.
- l. All Documents and Communications Concerning potential liability and potential Estates' Claims against the Debtors' current and/or former officers and/or directors with regards to any actions and/or omissions by the Debtors' current and/or former officers and directors subsequent to commencement of the Chapter 11 Cases.
- m. All Documents and Communications Concerning multiple, competing and/or unfiled Plans, or any Plan, whether actual, potential or hypothetical, that might be filed by an Person other than the Debtors.
- n. All Documents and Communications Concerning termination of the Debtors' Exclusivity.
- o. All Documents and Communications Concerning the rights of the Creditors' Committee to consent to, approve or review Documents or other matters Concerning the Plan or Disclosure Statement, including, without limitation, all Documents and Communications Concerning the Debtors' removal from the Plan and Disclosure Statement of requirements, rights or provisions that the Creditors' Committee consent, approve or review Documents or other matters Concerning the Plan or Disclosure Statement.
- p. All Documents and Communications Concerning terms or provisions of the Plan Concerning appointment of the Trustee or Trustees.

- q. All Documents and Communications Concerning indemnification of any Person by the Debtors.
- r. All Documents and Communications Concerning liability insurance of the Debtors and/or any other Person.
- s. All Documents and Communications Concerning Schedule 8.7 of the Plan or treatment of the Compensation and Benefits Programs under the Plan or Claims in connection with the Compensation and Benefits Programs.
- t. All Documents and Communications Concerning the disclosures in the Disclosure Statement, or the lack thereof, Concerning: (1) the Alter & Rosoff Claims, (2) the Estates' Claims, (3) the Investigations, (4) the Alter/Rosoff Agreement, (5) the SEIP, (6) the SERP, (7) the OCSP, (8) the SMCOC, (9) any COC, (10) the positions and objections of the Creditors' Committee on the Plan and the Disclosure Statement and/or any negotiations or disagreements with the Creditors' Committee, (11) Exclusivity, (12) Claims of Insiders, (13) the Potential Defendants (14) The Material Loss Review of Advanta Bank Corp., Draper, Utah by the FDIC Office of Inspector General issued in October 2010, or the findings or statements contained therein; or (15) any Board action or inaction Concerning the Chapter 11 Cases, the Plan, the Disclosure Statement, the Alter & Rosoff Claims, the Estates' Claims, the Investigations, the Alter/Rosoff Agreement, the SEIP, the SERP, the OCSP, the SMCOC, any COC, Exclusivity, Claims of Insiders, the Potential Defendants, Alter and/or Rosoff.

REQUEST NO. 10

All Board & Committee Materials, Documents and Communications, including drafts and supporting Documents and/or analyses, Concerning a COC or a possible COC during the relevant time period specified above, including, without limitation:

- a. All Documents and Communications Concerning a COC in connection with the Alter & Rosoff Claims.
- b. All Documents and Communications Concerning a COC or a possible COC in connection with the Board's alleged authorization or approval of the Plan.
- c. All Documents and Communications Concerning the impact of liquidation of the Debtors or their businesses on a COC or a possible COC in connection with the Board's alleged authorization or approval of liquidation on or about December 10, 2009.
- d. All Documents and Communications Concerning whether Alter and/or Rosoff would be entitled to Claims and/or payments as a result of any COC in connection with the Plan or approval of the Plan.

REQUEST NO. 11

All Documents and Communications Concerning analysis, discussion, assessment or other consideration by the Debtors or the Board of the impact or effect of Board approval or authorization of the Plan on the Alter & Rosoff Claims.

REQUEST NO. 12

All Board & Committee Materials, Documents and Communications delivered to, received by, transmitted by, reviewed, prepared, analyzed or evaluated in connection with the

Board's alleged approval of liquidation of the Debtors on December 10, 2009, beginning on the earliest date on which such decision was raised or considered.

REQUEST NO. 13

All Board & Committee Materials, Documents and Communications Concerning Board & Committee Materials, Documents and/or Communications from the Committee and/or its professionals Concerning (i) exculpation of any party from potential liability to the Debtors, (ii) releases of any party from potential liability to the Debtors or to third parties, (iii) retention of post-confirmation jurisdiction by the Bankruptcy Court over the Estates' Claims; (iv) any and all Estates' Claims; (v) potential alternatives to mitigate, contest, subordinate, offset, avoid or otherwise challenge the validity or creation of the Alter & Rosoff Claims or Claims of Potential Defendants and/or the triggering or occurrence of a COC; (vi) Board authorization or approval of the Plan and/or Disclosure Statement and (vii) the Committee's investigation or analysis of the Alter & Rosoff Claims or Estates' Claims, including, without limitation, requests for information and Documents.

REQUEST NO. 14

All Board & Committee Materials, Documents and Communications Concerning the Debtors' Exclusivity.

REQUEST NO. 15

All Board & Committee Materials, Documents and Communications Concerning whether any creditors, equity interest holders or classes of creditors or equity interest holders under the Plan will accept or reject the Plan.

REQUEST NO. 16

All Board & Committee Materials, Documents and Communications delivered to, received by or created by, for or in connection with any meeting of the Board Concerning approval of the Plan or approval of any and all liquidation, reorganization or restructuring options and/or alternatives thereto.

REQUEST NO. 17

All Documents and Communications delivered to, received by or transmitted between Weil, Gotshal & Manges LLP and Dechert LLP, or otherwise between the Debtors and Alter and/or Rosoff, Concerning the Alter/Rosoff Agreement, the Chapter 11 Cases, the Plan, the Disclosure Statement, the Debtors' Exclusivity, the Estates' Claims, the Alter & Rosoff Claims, the Investigations, the Proofs of Claims, the Potential Defendants, any COC, the OCSP, the SEIP, the SERP and/or the SMCOC.

REQUEST NO. 18

All Documents and Communications between the Debtors or any of their attorneys, financial advisors or other professionals, agents or representatives, and Alter and/or Rosoff, or any of their respective attorneys, financial advisors or other professionals, agents or representatives, including, without limitation, all Documents and Communications Concerning the Alter/Rosoff Agreement, the Chapter 11 Cases, the Plan, the Disclosure Statement, the Estates' Claims, the Alter & Rosoff Claims, the Investigations, the Proofs of Claims, the Potential Defendants, any COC, the OCSP, the SEIP, the SERP and/or the SMCOC.

REQUEST NO. 19

All Documents and Communications Concerning the Debtors' statements in the Motion to Extend Exclusive Periods For The Filing Of A Chapter 11 Plan And Solicitation Of

Acceptances Thereto dated November 4, 2010 (1) that disagreements with the Creditors' Committee "are legal (rather than economic) in nature" and (2) that "Termination of the Exclusive Periods. . .could give rise to the threat of multiple plans and a contentious confirmation process resulting in increased administrative expenses. . ."

REQUEST NO. 20

All Board & Committee Materials, Documents and Communications Concerning the appointment of the Trustee or Trustees.

Dated: November 10, 2010

DRINKER BIDDLE & REATH LLP

/s/ Howard A. Cohen

Howard A. Cohen (DE 4082)
1100 N. Market Street, Suite 1000
Wilmington, DE 19801
Telephone: (302) 467-4200
Facsimile: (302) 467-4201
Email: howard.cohen@dbr.com

- and -

LATHAM & WATKINS LLP

Mitchell A. Seider (admitted *pro hac vice*)
Roger G. Schwartz (admitted *pro hac vice*)
Robert J. Malione (admitted *pro hac vice*)
885 Third Avenue, Suite 1000
New York, NY 10003
Telephone: (212) 906-1200
Facsimile: (212) 751-4864
Email: mittchell.seider@lw.com
Email: roger.schwartz@lw.com
Email: robert.malione@lw.com

Counsel to the Official Committee of
Unsecured Creditors