

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

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

**Re: Docket No. 977**

**NOTICE OF FILING CORRECTED EXHIBIT “B” TO  
OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO  
THE DEBTORS’ 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**

PLEASE TAKE NOTICE that on December 7, 2010, the Official Committee of Unsecured Creditors (the “Committee”) of Advanta Corp. (“Advanta”) and its affiliated debtors and debtors in possession (collectively, and together with Advanta, the “Debtors”) filed its *Objection to the Debtors' 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* (the “Objection”) (Docket No. 977).

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<sup>1</sup> The Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Advanta Corp. (2070), Advanta Investment Corp. (5627), Advanta Business Services Holding Corp. (4047), Advanta Business Services Corp. (3786), Advanta Shared Services Corp. (7074), Advanta Service Corp. (5625), Advanta Advertising Inc. (0186), Advantennis Corp. (2355), Advanta Mortgage Holding Company (5221), Advanta Auto Finance Corporation (6077), Advanta Mortgage Corp. USA (2654), Advanta Finance Corp. (8991), Advanta Ventures Inc. (5127), BE Corp., f/k/a BizEquity 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). Advanta Ventures Inc., BizEquity Corp., Ideablob Corp. and Advanta Credit Card Receivables Corp. commenced their chapter 11 cases on November 20, 2009. All other Debtors commenced their chapter 11 cases on November 8, 2009.

**ATTACHED HERETO as Exhibit “1”** is a copy of a corrected form of Exhibit “B” to the Objection, which corrected version is intended to amend and replace the version filed with the Objection.

**ATTACHED HERETO as Exhibit “2”** is a black-line version showing the changes between the version filed with the Objection and the corrected version.

Dated: December 8, 2010  
Wilmington, Delaware

Respectfully Submitted,

**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

- and -

**LATHAM & WATKINS LLP**

Mitchell A. Seider (admitted *pro hac vice*)  
Roger G. Schwartz (admitted *pro hac vice*)  
Robert J. Malioneck (admitted *pro hac vice*)  
Adam J. Goldberg (admitted *pro hac vice*)  
Catherine M. Martin (admitted *pro hac vice*)  
Aaron M. Singer (admitted *pro hac vice*)  
885 Third Avenue, Suite 1000  
New York, NY 10003  
Telephone: (212) 906-1200  
Facsimile: (212) 751-4864

Counsel to the Official Committee of  
Unsecured Creditors

# **EXHIBIT 1**

# **EXHIBIT B**

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF ADVANTA CORP., et al. (Case No. 09-13931 (KJC))**

December [ ], 2010

TO: Unsecured Creditors of Advanta Corp. (“Advanta”) and affiliated debtors (the “Debtors”)

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”)<sup>1</sup> of Advanta and the Debtors was appointed by the Office of the United States Trustee (an arm of the U.S. Department of Justice) on November 19, 2009 pursuant to federal law to represent the interests of unsecured creditors of Advanta and the other Debtors, such as you. The Creditors’ Committee has analyzed the terms of the Debtors’ Joint Plan Under Chapter 11 of the Bankruptcy Code dated as of November 2, 2010 (the “Debtors’ Plan”) that is enclosed in this package and writes to inform you of its determinations and recommendations regarding the Debtors’ Plan.<sup>2</sup>

**The Creditors’ Committee unanimously recommends you**

**VOTE TO REJECT THE DEBTORS’ PLAN**

**on the ballot enclosed in this package.**

The Debtors’ Plan, if accepted by unsecured creditors, such as yourself, and confirmed by the Bankruptcy Court, will govern how and what you are entitled to recover on your claims against Advanta and the other Debtors. Accordingly, the Creditors’ Committee believes it is important for you to consider the effect of the Debtors’ Plan on your claims against Advanta and

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<sup>1</sup> The Creditors’ Committee consists of the following members: (i) The Bank of New York Mellon, in its capacity as Indenture Trustee for holders of the Investment Notes and RediReserve Certificates; (ii) Stonehill Capital Management LLC (“Stonehill”); (iii) DVL Incorporated; (iv) Brandywine Operating Partnership; and (v) Law Debenture Trust Company of New York, in its capacity as Indenture Trustee for the holders of Subordinated Notes. The Creditors’ Committee selected Stonehill as its chair. The members of the Creditors’ Committee constitute the Indenture Trustees for both the Investment Notes and RediReserve Certificates (collectively with the Investment Notes, the “Retail Notes”) and the Subordinated Notes, a holder of the Retail Notes and the Subordinated Notes and holders of unsecured claims against the Debtors. Pursuant to orders entered by the Bankruptcy Court, the Creditors’ Committee retained Latham & Watkins LLP and Drinker Biddle & Reath LLP as its attorneys and FTI Consulting, Inc. as its financial advisor.

<sup>2</sup> The Bankruptcy Court has authorized the Creditors’ Committee to send this letter. Such authorization, however, neither represents an endorsement or rejection by the Bankruptcy Court of the positions set forth in this letter. Any capitalized terms used but not defined herein have the meaning ascribed to such terms in the Debtors’ Plan.

the other Debtors. This letter explains why the Creditors' Committee recommends that you vote to reject the Debtors' Plan.

The Committee, based on the advice of its attorneys and financial advisors and on its own analysis, has concluded that the Debtors' Plan undermines the rights of unsecured creditors and fails to maximize recoveries for unsecured creditors. The Creditors' Committee believes that the Disclosure Statement included in this package fails to make clear the negative and costly implications of confirmation of the Debtors' Plan. For example, the Disclosure Statement fails to sufficiently disclose the facts and circumstances surrounding approximately \$51.8 million in claims filed by Dennis Alter ("Alter"), the Debtors' chief executive officer and chairman of the Board, and William Rosoff ("Rosoff"), the Debtors' president and vice chairman of the Board, and the potential that allowance of those claims may significantly dilute the recoveries of other unsecured creditors. The Disclosure Statement also fails to explain that the Creditors' Committee believes that claims may exist against the Debtors' directors and officers for their conduct both before and after the Debtors filed for bankruptcy. While the Creditors' Committee has begun and continues to investigate these claims and believes them to be valuable, the Debtors' Plan may fail to preserve the unsecured creditors' rights to pursue the claims and will impair the ability of the Debtors' estates to defend against and challenge the claims filed by Alter and Rosoff.

Taken together, the Creditors' Committee believes that the Debtors' Plan, and the manner in which the Debtors have put forth the Debtors' Plan, harms the rights of unsecured creditors by, among other things:

1. Releasing current and former directors and officers of the Debtors, including Alter and Rosoff, for potentially actionable conduct taken by such directors and officers after the Debtors filed for bankruptcy. This release could make it impossible for the unsecured creditors to bring claims against any director or officer for wrongful acts and omissions that took place after these bankruptcy cases began and this release will also harm the ability of the Debtors' estates to defend against and challenge the approximately \$51.8 million in claims filed by Alter and Rosoff against Advanta in these bankruptcy cases;
2. Potentially hindering the prosecution of claims that the Debtors may have against current and former directors and officers of the Debtors and other third parties by omitting language requested by the Creditors' Committee to ensure that the Bankruptcy Court will be the court in which any such claims are litigated and decided; and
3. Providing the Debtors with exclusive authority and sole and unfettered discretion to administer certain key provisions of the Debtors' Plan without the consent of the Creditors' Committee despite the fact that, in the current liquidation setting, such provisions only impact the rights and recoveries of the unsecured creditors. The Committee strongly believes that the unsecured creditors, by way of the Creditors' Committee, should be granted consultation, consent and approval rights with respect to such provisions. In particular, given the admitted conflicts of interest between the personal interests of the Debtors' insiders and the interests of the estates and all other

creditors, the Creditors' Committee believes it is inappropriate and unfair for the Debtors to have the sole authority under the Debtors' Plan to appoint the Trustees who will be tasked with, among other things, (a) liquidating the Debtors' assets, (b) objecting to claims against the Debtors' estates that would dilute the claims of other creditors, such as the approximately \$51.8 million in claims asserted by Alter and Rosoff, and (c) investigating and prosecuting the Debtors' claims for the benefit of creditors, including claims that the Creditors' Committee believes may exist against Alter, Rosoff and the Debtors' other officers and directors.

As a result of these and other terms of the Debtors' Plan, the Creditors' Committee unanimously believes that the Debtors' Plan severely undermines the rights and interests of all unsecured creditors and that **ALL UNSECURED CREDITORS SHOULD VOTE TO REJECT THE DEBTORS' PLAN.**

**Please keep in mind: If any unsecured creditor votes to reject the Debtors' Plan but the Debtors' Plan is nevertheless confirmed by the Bankruptcy Court, any such unsecured creditor that voted to reject the Debtors' Plan will still receive all distributions that such creditor is entitled to received under the Debtors' Plan.**

**Voting Deadlines and Creditors' Committee Internet Updates:** The deadline to submit all votes to either reject or accept the Debtors' Plan is January [ ], 2011 (the "Voting Deadline"). All unsecured creditors should consult and review the Debtors' solicitation materials contained in this package, including the voting ballots and instructions for casting a vote to reject or accept the Debtors' Plan, before submitting any ballot. Finally, from time to time until the Voting Deadline, the Creditors' Committee may provide important updates regarding these matters on its website (the "Committee Website") at <http://www.advantacommittee.com/>.

**Please be advised that all unsecured creditors should cast a vote on the Debtors' Plan even if a third party such as, The Bank of New York Mellon, Law Debenture Trust Company of New York or a predecessor-in-interest, filed a proof of claim on his, her, or its behalf. The Bank of New York Mellon, as trustee, will NOT be voting on the Debtors' Plan in these bankruptcy cases on behalf of any unsecured creditor, including those holders of obligations under the indenture dated October 23, 1995 between Advanta Corp. as issuer, and The Bank of New York Mellon, as trustee.**

**Recommendation:** The Creditors' Committee unanimously recommends that all unsecured creditors entitled to vote under the Debtors' Plan vote to **REJECT THE DEBTORS' PLAN.**

The Debtors provided you with a ballot in connection with the Debtors' Plan. In order to have your vote counted with respect to the Debtors' Plan, you must complete and return the ballot in accordance with the procedures found within the Debtors' Plan. **Please follow the voting instructions carefully and complete your ballot in its entirety before the Voting Deadline.**

For further information and details concerning the Debtors' Plan and the Creditors' Committee's determinations and recommendations in this letter, please review the Creditors' Committee's objections to the Debtors' *Motion to Extend Exclusive Periods for Filing a Chapter 11 Plan and Solicitation of Acceptances Thereto* [D.I. 903] and the Debtors' *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 Creditors' Committee's objections can be found on the Bankruptcy Court's docket as docket entries [ ] and [ ], respectively. The Creditors' Committee's objections can also be found on the Committee Website.

**If you have any questions concerning the Debtors' Plan or the Creditors' Committee's recommendation set forth in this letter, please contact the following:**

Adam Goldberg  
of Latham & Watkins LLP  
885 Third Avenue, Suite 1000  
New York, New York 10022  
Direct Dial: 212-906-1828  
Email: Adam.Goldberg@lw.com

Aaron Singer  
of Latham & Watkins LLP  
885 Third Avenue, Suite 1000  
New York, New York 10022  
Direct Dial: 212-906-4527  
Email: Aaron.Singer@lw.com

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF ADVANTA CORP., *et al.*



## **EXHIBIT 2**

# **EXHIBIT B**

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OF ADVANTA CORP., et al. (Case No. 09-13931 (KJC))**

December [ ], 2010

TO: Unsecured Creditors of Advanta Corp. (“Advanta”) and affiliated debtors (the “Debtors”)

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**Recommendation:** The Creditors' Committee unanimously recommends that all unsecured creditors entitled to vote under the Debtors' Plan vote to **REJECT THE DEBTORS' PLAN.**

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of Latham & Watkins LLP  
885 Third Avenue, Suite 1000  
New York, New York 10022  
Direct Dial: 212-906-1828  
Email: Adam.Goldberg@lw.com

Aaron Singer  
of Latham & Watkins LLP  
885 Third Avenue, Suite 1000  
New York, New York 10022  
Direct Dial: 212-906-4527  
Email: Aaron.Singer@lw.com

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF ADVANTA CORP., *et al.*