

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE: . Case No. 09-13931(KJC)
. .
ADVANTA CORP., .
. 824 North Market Street
. Wilmington, DE 19801
. .
Debtor. . February 4, 2010
. 11:00 a.m.

TRANSCRIPT OF HEARING
BEFORE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE

APPEARANCES:

For the Debtor: Richards, Layton & Finger, P.A.
By: MARK D. COLLINS, ESQ.
CHUN I. JANG, ESQ.
One Rodney Square
920 North King Street
Wilmington, DE 09801

For the Committee: Drinker, Biddle & Reath, LLP
By: HOWARD A. COHEN, ESQ.
1100 North Market Street
Wilmington, DE 19801-1254

Audio Operator: Al Lugano

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APPEARANCES (Contd'):

For Western	Lowenstein Sandler, PC
Pennsylvania	By: IRA M. LEVEE, ESQ.
Employees' Pension	65 Livingston Avenue
Fund:	Roseland, NJ 07068

TELEPHONIC APPEARANCES:

For the Debtor:	Weil, Gotshal & Manges, LLP
	By: VICTORIA VRON, ESQ.
	767 Fifth Avenue
	New York, NJ 10153

For Matthew M. Barnett:	MATTHEW M. BARNETT
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1 THE COURT: Good morning, all.

2 MR. JANG: Good morning, Your Honor. For the record,
3 Chun Jang of Richards, Layton and Finger on behalf of the
4 debtors.

5 Your Honor, we did have several items on the agenda,
6 but all of them have either been continued or order -- forms of
7 order have been entered subject to CNO or a certification of
8 counsel. The only item left was the debtors' de minimis asset
9 sale procedures motion, and I'm happy to report that it's no
10 longer contested. A few minutes in the courtroom sometimes
11 works miracles before a hearing.

12 And just to recap the motion, the debtors filed the
13 de minimis asset sale procedures motion on January 19th. We
14 received informal responses from three parties, one of them
15 turned into a filed objection. The first response was from the
16 United States Trustee's Office and they asked for some
17 additional time as opposed to the three business days that we
18 were provided in the motion. And we were -- we agreed to
19 extend the three business days to five business days, so it's
20 basically a week's notice.

21 And we also received an informal response from
22 Oracle. They were concerned that sales of computers or
23 computer accessories may include software that they may have
24 licenses to which they didn't want transferred without their
25 notice where we will agree to -- we've agreed to provide them

1 with notice to the extent that the debtors sell computer
2 equipment or accessories.

3 With respect to the third party, that was Western
4 Pennsylvania Electrical Employees' Pension Fund, Western
5 Pennsylvania Securities (indiscernible), as we commonly
6 referred to them as, their concern was with respect to computer
7 equipment and accessories, there could be certain information,
8 possible evidence, that may be lost due to sale of such
9 equipment.

10 To resolve that concern, we've agreed, as with the
11 case with Oracle, that they would get notice when computer
12 equipment, or accessories or other types of assets that may
13 contain information or data, they would have notice of such
14 sale. And with that, I believe they are withdrawing their
15 objection and no longer are asking for the costs with respect
16 to discovery. They're pushing that off to a different day.

17 THE COURT: All right. Does anyone else wish to be
18 heard?

19 MR. LEVEE: Good morning, Your Honor. Ira Levee,
20 Lowenstein Sandler, for the securities plaintiffs.

21 Their representation that was placed on the record is
22 correct and with that additional language in the order we'll
23 withdraw our objection.

24 THE COURT: All right.

25 MR. LEVEE: Reserve our rights with respect to the

1 costs.

2 MR. JANG: Your Honor, I forgot to mention one other
3 provision that we made an edit to, and that was with respect to
4 their concerns that such information may be lost. And we fully
5 acknowledged our obligations to maintain such information in
6 accordance with the Litigation Reform Act of 1995 and the
7 changes are reflected in the blackline right here. I can bring
8 that up.

9 THE COURT: Okay. That would be good. Thank you.
10 Mr. Cohen?

11 MR. COHEN: Good morning, Your Honor. Howard Cohen,
12 Drinker, Biddle and Reath, on behalf of the committee. Your
13 Honor, we fully support the resolution that was reached five
14 minutes prior to the hearing.

15 MR. JANG: And, Your Honor, the blackline contains
16 all of the changes from the filed version, other than the
17 information that we just agreed to, which is in the original
18 form of order interlineated.

19 THE COURT: All right. I see the blackline. Don't
20 have any questions about the revisions to the order. I have
21 reviewed the motion, and in light of resolution of the
22 objection, I'm prepared to grant the relief that's been
23 requested here.

24 MR. JANG: Thank you, Your Honor. I believe that's
25 all for today, and I just wanted to inform the Court that we

1 did file a form of order for a fee auditor under certification
2 of counsel yesterday.

3 THE COURT: All right. That's one of the two things
4 I'd like to speak with you about. Normally, I request that
5 there be an affidavit of disinterestedness, and typically Mr.
6 Smith does supply one, but one was not -- did not accompany the
7 certification.

8 MR. JANG: Oh, we'll get that over to you. One was
9 filed yesterday along with the certification, and we will get
10 that to you right away, Your Honor.

11 THE COURT: Okay. Thank you. Once I receive that,
12 I'll act on it promptly. And the second thing was just to --
13 you know, the case is three months old. It's been, as cases
14 go, relatively quiet from the Court's standpoint. It may be
15 there's a lot of things happening outside of court, but I was
16 wondering if you could give me a brief status report on where
17 things stand and where you're headed.

18 MR. JANG: Oh, I think at this point, it's safe to
19 say that this case is now a liquidation case and we've made
20 that announcement public. And the debtors recently filed their
21 schedules and statements and we'll be having a followup 341
22 meeting. That hasn't been scheduled yet, but that -- schedules
23 and statements have recently been filed, so we will have a
24 followup meeting with that.

25 THE COURT: Is it expected that the debtor will be in

1 a position to propose a liquidating plan, or is it expected
2 that the debtor will move or someone else might move for a
3 conversion?

4 MR. COHEN: Good morning, again, Your Honor. Howard
5 Cohen, Drinker, Biddle and Reath.

6 A lot has been going on in the background. The
7 debtor has made a recent proposal to the committee to supply us
8 with a draft plan of liquidation in a very short time frame, so
9 we're expecting to see that pretty soon.

10 THE COURT: All right. Anyone else care to comment?

11 I hear no further response. Well, that is all for
12 today. I thank you all, very much. That concludes this
13 hearing. Court will stand in recess.

14 MR. JANG: Thank you, Your Honor.

15 * * * * *

16 C E R T I F I C A T I O N

17 I, AMY L. RENTNER, certify that the foregoing is a
18 correct transcript from the electronic sound recording of the
19 proceedings in the above-entitled matter, and to the best of my
20 ability.

21
22 /s/ Amy L. Rentner

23 AMY L. RENTNER

24 J&J COURT TRANSCRIBERS, INC. DATE: February 11, 2010

25 (CR)

**UNITED STATES BANKRUPTCY COURT
District of Delaware**

In Re:

Advanta Corp.
Welsh & McKean Roads
P.O. Box 844
Spring House, PA 19477

EIN: 23-1462070
Teacher Service Organization, Inc.
TSO Financial Corp.

Chapter: 11

Case No.: 09-13931-KJC

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