

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

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	:	Chapter 11
In re:	:	
	:	Case No. 09-13931 (KJC)
ADVANTA CORP., <i>et al.</i>	:	
	:	(Jointly Administered)
Debtors. ¹	:	
-----	X	
	:	
ADVANTA BANK CORP.	:	
	:	
Plaintiff,	:	
	:	
-against-	:	Adv. Proc. No. 10-50795 (KJC)
	:	
ADVANTA CORP.	:	
	:	
Defendant.	:	
-----	X	

**ADVANTA CORP.’S MOTION TO SHORTEN THE NOTICE
AND OBJECTION PERIODS ON MOTION TO PRECLUDE,
OR IN THE ALTERNATIVE, COMPEL DISCOVERY FROM THE FDIC**

Advanta Corp. (“*Advanta*”) hereby moves this Court (the “*Motion to Shorten*”) for an order shortening the notice and objection periods on *Advanta Corp.’s Motion to Preclude, or in the Alternative, Compel Discovery from the FDIC* (the “*Motion*”), filed contemporaneously herewith. In support thereof, Advanta respectfully represents as follows:

¹ The Debtors, 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), Great Expectations Management Corp. (3328), Advanta Ventures Inc. (5127), BE Corp. (8960), ideablob Corp. (0726), and Advanta Credit Card Receivables Corp. (7955).

1. On March 14, 2010, Advanta Bank Corp. (“*ABC*”) -- a wholly-owned indirect subsidiary of Advanta in receivership by the Federal Deposit Insurance Corp. (“*FDIC*”) -- commenced this adversary proceeding (the “*Adversary Proceeding*”) against Advanta seeking declaratory and injunctive relief related to certain net operating loss elections/waivers made by Advanta including in the consolidated group’s 2009 federal income tax return (collectively, the “*Tax Elections*”). FDIC now stands in the shoes of ABC in its capacity as ABC’s receiver and seeks to recover \$170 million from Advanta in the Adversary Proceeding. A three day evidentiary hearing on certain pending motions² is currently scheduled to proceed on August 16-18, 2010 at 10:00 a.m. (Eastern Daylight Time) (the “*Hearing*”).

2. Advanta files this Motion to Shorten because the Motion should be heard before certain testimony, which Advanta believes is precluded by Rule 7037 of the Federal Rules of Bankruptcy Practice and Procedure (the “*Bankruptcy Rules*”), is presented at the Hearing. Because the Hearing is scheduled to take place fewer than seven days after filing of the Motion, Advanta respectfully requests that the Court shorten the notice requirements under Rule 7026-1(a) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”).

3. As set forth more fully in the Motion, based on an overbroad interpretation of the “bank examination” and “deliberative process” privilege, FDIC has withheld from discovery internal FDIC documents relating to the Tax Claim³ and TSA even though such documents

² The motions are (i) *ABC’s Emergency Motion for Declaratory and Injunctive Relief in Connection With Amended Complaint* [D.I. No. 9], and (ii) *FDIC-R’s Motion Seeking a Declaration That the Automatic Stay Does Not Apply, or in the Alternative, an Order Granting Relief from the Automatic Stay* [D.I. No. 25].

³ Capitalized terms used herein and not otherwise defined shall have the meanings given them in *Advanta Corp.’s Memorandum of Law in Support of Motion to Preclude, Or in the Alternative, Compel Discovery from the FDIC*, which was filed under seal contemporaneously herewith pursuant to this Court’s *Protective Order Governing the Production of Confidential Materials* [D.I. No. 61].

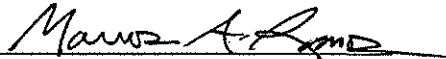
contain admissions that the Tax Elections were appropriate. Moreover, FDIC instructed its Rule 30(b)(6) deponent not to answer questions on related topics at a deposition held on August 5, 2010. Therefore, Advanta is seeking either to preclude FDIC's presentation of testimony or evidence on the above matters or to compel the production of the withheld documents.

4. Local Rule 7026-1(a) requires that any motion under Bankruptcy Rules 7026-7037 shall be filed at least seven days before any hearing date. However, the Court may shorten this notice period based on the exigencies of the circumstances. *See* Del. Bankr. L.R. 9006-1(e). As set forth above, Advanta believes that FDIC will attempt to present testimony and evidence subject to the Motion at the Hearing. Therefore, in order for Advanta to assert its objections to the presentation of such testimony and evidence, the Motion to Preclude must go forward at the start of the Hearing.

5. Local Rule 7026-1(a) further requires objections to motions brought under Bankruptcy Rules 7026-7037 to be filed and served at least one business day before the hearing date. Under the circumstances, Advanta respectfully requests that the Court allow objections to the Motion to be raised at the Hearing.

WHEREFORE, Advanta respectfully requests that the Court enter an order in substantially the form attached hereto as Exhibit A granting the Motion to Shorten and such other and further relief as is just and proper.

Dated: August 13, 2010
Wilmington, Delaware



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ATTORNEYS FOR ADVANTA CORP.

EXHIBIT A

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

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ADVANTA BANK CORP.	:	
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Plaintiff,	:	
	:	
-against-	:	Adv. Proc. No. 10-50795 (KJC)
	:	
ADVANTA CORP.	:	
	:	
Defendant.	:	
-----	X	Re: Docket No. ____

**ORDER APPROVING SHORTENING THE NOTICE
AND OBJECTION PERIODS ON MOTION TO PRECLUDE,
OR IN THE ALTERNATIVE, COMPEL DISCOVERY FROM THE FDIC**

Upon consideration of the motion (the “*Motion to Shorten*”) of Advanta Corp. (“*Advanta*”) to shorten the notice and objection periods on its *Motion to Preclude, or in the Alternative, Compel Discovery from the FDIC* (the “*Motion*”); and the Court having jurisdiction to consider the Motion to Shorten; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion to Shorten having been

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provided under the circumstances, and it appearing that no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Motion to Shorten establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion to Shorten is GRANTED.
2. The Motion will go forward at the hearing scheduled for August 16, 2010 at 10:00 a.m. (Eastern Daylight Time) (the "*Hearing*").
3. Objections to the Motion may be raised at the Hearing.
4. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: August _____, 2010
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE