

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

ADVANTA CORP.,
et al.,

Debtors.

Chapter 11

Case No. 09-13931 (KJC)

(Jointly Administered)

Re: Doc. No. 728

**SUPPLEMENTAL VERIFIED STATEMENT OF
COUNSEL PURSUANT TO BANKRUPTCY RULE 2019(a)**

This Verified Statement supplements the Verified Statement of Counsel Pursuant to Bankruptcy Rule 2019(a) filed on August 12, 2010 [Doc. No. 728].

In compliance with Fed. R. Bankr. P. 2019(a), attorneys for the proposed Class Representatives, Matthew A. Ragan, Paula Hiatt, Pamela Yates and Joann Claflin (“Plaintiffs”), in the ERISA class action entitled *In re Advanta Corp. ERISA Litig.*, Civil Action No. 2:09-cv-4974-CMR (the “ERISA Litigation”), filed in the United States District Court for the Eastern District of Pennsylvania (the “District Court”), on behalf of all persons (the “ERISA Class”) who were participants in or beneficiaries of the Advanta Corp. Employee Stock Ownership Plan and/or the Advanta Corp. Employee Savings Plan (collectively, the “Employee Plans”) at any time between October 31, 2006 and November 8, 2009, inclusive (the “Class Period”), and whose Employee Plan accounts included investments in common stock of Advanta Corp. (“Advanta” or the “Debtor”) and who were damaged thereby, state the following:

1. On October 29, 2009, plaintiff Matthew A. Ragan filed a class action complaint (the “Ragan Action”) in the District Court against Advanta and certain officers and directors of Advanta alleging violations of ERISA. Thereafter, Plaintiffs Hiatt and Yates each filed a class

action complaint also based upon violations of ERISA against Advanta and certain officers and directors of Advanta (together with the Ragan Action, the “ERISA Actions”).

2. On November 8, 2009 and November 20, 2009 (the “Petition Dates”), the Debtor and certain affiliated entities (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

3. On May 14, 2009, Plaintiff Ragan filed a class proof of claim against Advanta in an amount in excess of \$50 Million.

4. On June 4, 2010, the District Court entered an Order consolidating the individual ERISA Actions and the ERISA Litigation and designating Barroway Topaz Kessler Meltzer & Check, LLP (“BTKMC”) as Interim Class Counsel. BTKMC maintains offices at 280 King of Prussia Road, Radnor, Pennsylvania 19087. A copy of the June 4, 2010 Order is annexed hereto as Exhibit A.

5. On August 11, 2010, Plaintiffs filed a Consolidated Class Action Complaint in the ERISA Litigation, alleging violations of, *inter alia*, §§404 and 405 of ERISA for breach of fiduciary duties in connection with the Employee Plans, by certain officers and directors of Advanta (the “Non-Debtor Defendants”).

6. As Interim Class Counsel, BTKMC will prosecute, on behalf of Plaintiffs and the ERISA Class, any and all claims against the Debtors and the Non-Debtor Defendants for violations of ERISA, and will pursue all avenues in these bankruptcy proceedings to protect the rights of Plaintiffs and the ERISA Class. In furtherance of its duties as Interim Class Counsel, BTKMC retained the law firm of Lowenstein Sandler PC, with offices at 65 Livingston Avenue, Roseland, New Jersey 07068, as bankruptcy counsel to represent Plaintiffs and the ERISA Class

herein. Cross & Simon LLC, with offices at 913 North Market Street, 11th Floor, Wilmington, Delaware 19801, has been retained as local Delaware bankruptcy counsel to Plaintiffs and the ERISA Class.

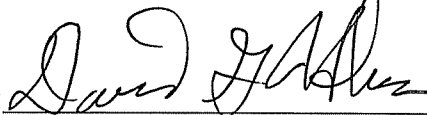
7. All claims against the Debtors asserted or to be asserted herein by Plaintiffs and the ERISA Class accrued on or before the Petition Dates and arose from violations of ERISA. Other than as described herein, to the best of the undersigned's knowledge, no person associated with any law firm involved herein has any interest in or claim against the Debtors.

8. The above-named counsel are authorized to represent Plaintiffs and the ERISA Class herein.

9. Counsel expressly reserves the right to supplement and/or amend this Statement in any respect. Submission of this Statement does not constitute the consent of Plaintiffs or the ERISA Class to the jurisdiction of this Court for any purpose other than with respect to this Statement.

Dated: December 6, 2010

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I verify under penalty of perjury that the foregoing is true and correct.

Dated: December 6, 2010

/s/ Ira M. Levee

Ira M. Levee

Exhibit A

Pamela G. Yates and Joann Claflin, Individually
and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

William A. Rosoff, Michael A. Stolper, Dennis
Alter, Max Botel, Dana Becker Dunn, Ronald
Lubner, Advanta Corp. Employee Savings Plan
Administrative Committee, Paul Jeffers, Philip M.
Browne, and John Does 1-20,

Defendants.

Civil Action No.: 2:09cv5746-CMR

WHEREAS, the above-captioned actions (the "ERISA Actions") allege breaches of fiduciary duties by Advanta Corporation and its participating subsidiaries and affiliates ("Advanta" or the "Company") and related ERISA fiduciaries (collectively, "Defendants"), on behalf of participants in, and beneficiaries of, the Advanta Corp. Employee Stock Ownership Plan (the "ESOP Plan") and the Advanta Corp. Employee Savings Plan (the "ESP Plan") (collectively the "Plans"), established as a benefit for the Company's employees; and

WHEREAS, appointment of Interim Class Counsel and a case management plan for class actions is appropriate and consistent with the Federal Rules of Civil Procedure and the recommendations of the *Manual for Complex Litigation* (4th ed. 2004) and FED. R. CIV. P. 23(g);

NOW, THEREFORE, THE COURT ORDERS as follows:

I. CONSOLIDATION OF SUBSEQUENT OR TRANSFERRED ACTIONS

When a case that arises out of the same operative facts as the ERISA Actions is hereinafter filed in or transferred to this Court, it is hereby consolidated pursuant to FED. R. CIV.

P. 42(a). The ERISA Actions shall be hereinafter referred to as *In re: Advanta Corp. ERISA Litigation*, Case No. 09-CV-04974.

When a case that arises out of the same operative facts as this action is hereinafter filed in or transferred to this Court, the Clerk of this Court shall:

- (a) File a copy of this Order in the separate file for such action;
- (b) Mail a copy of this Order to the attorneys for the plaintiff(s) in the newly-filed or transferred case and to any new defendant(s) in the newly-filed or transferred case; and
- (c) Make the appropriate entry in this action.

The Court requests the assistance of counsel in calling to the attention of the Clerk of this Court the filing or transfer of any case that might properly be consolidated as part of this litigation.

II. APPLICATION OF THIS ORDER TO SUBSEQUENT CASES

This Order shall apply to each class action assigned to the undersigned alleging claims similar to those set forth in these actions and brought on behalf of participants in or beneficiaries of the Plans. This Order shall apply to each such case which is subsequently filed in or transferred to this Court and which is assigned to the undersigned, unless a party objecting to the consolidation of that case or to any other provision of this Order serves an application for relief from this Order or from any of its provisions within ten (10) days after the date on which the Clerk mails a copy of this Order to the counsel of that party. The provisions of this Order shall apply to such action pending the Court's ruling on the application.

III. APPOINTMENT OF INTERIM CLASS COUNSEL

The Court designates Barroway Topaz Kessler Meltzer & Check, LLP to act as Interim Class Counsel for the Plaintiffs in this action and all subsequently filed, related actions consolidated herewith, with the responsibilities hereafter described.

Interim Class Counsel shall have the authority over the following matters on behalf of plaintiff and the putative class in this action:

- (a) directing, coordinating, and supervising the prosecution of plaintiff's claims in the action, including the drafting and filing of an Amended Class Action Complaint (the "Amended Complaint"), the briefing of any motion(s) to dismiss by any defendant(s), as well as any class certification motion and any matters pertaining thereto;
- (b) initiating and conducting discovery, including, without limitation, coordinating discovery with defendants' counsel, preparing written interrogatories, requests for admissions, and requests for production of documents;
- (c) directing and coordinating the examination of witnesses in depositions;
- (d) retaining experts;
- (e) communicating with the Court;
- (f) communicating with defense counsel; and
- (g) conducting settlement negotiations.

No motion shall be initiated or filed on behalf of any plaintiff in this action except through Interim Class Counsel.

Service of pleadings and other papers by defendants shall be made only upon Barroway Topaz Kessler Meltzer & Check, LLP, who is authorized and directed to accept service on behalf of plaintiffs in this action and any later actions that may be consolidated herewith.

Barroway Topaz Kessler Meltzer & Check, LLP is appointed Interim Class Counsel for the putative plaintiff class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure in the above-captioned case.

IV. SCOPE OF ORDER

The terms of this Order shall not have the effect of making any person, firm or entity a party to any action in which he, she, or it has not been named, served or added as such in accordance with the Federal Rules of Civil Procedure. The terms of this Order and the consolidation ordered herein shall not constitute a waiver by any party of any claims or defenses to any action.


V. PRELIMINARY SCHEDULE OF PROCEEDINGS

On March 19, 2010, the parties executed a Stipulation and Order Regarding Case Management in the consolidated ERISA Action ("Stipulation") which was faxed to the Court. The Stipulation, including the Preliminary Schedule of Proceedings set forth therein, is hereby incorporated and adopted in this Order. In particular, the following preliminary schedule applies:

ERISA Plaintiffs will file a Consolidated ERISA Complaint forty five (45) days after the entry of this Order, assuming receipt of the production of core ERISA documents and information pursuant to ERISA § 104(b)(4) described in paragraph A.2 of the Stipulation by thirty (30) days after entry of this Order. The Consolidated ERISA Complaint shall be the operative complaint and shall supersede all complaints filed in any of the ERISA Actions consolidated herein. Pending filing and service of the Consolidated ERISA Complaint, Defendants shall have no obligation to move, answer, or otherwise respond to the initial complaints in the ERISA Actions or any complaint in ERISA cases subsequently consolidated. However, if a plaintiff in a subsequently filed or transferred case is permitted by the Court to use a separate complaint, each Defendant shall have sixty (60) days from the date the Court grants such permission within which to answer, plead or otherwise move with respect to that complaint.

Defendants shall have sixty (60) days from the filing and service of the Consolidated ERISA Complaint to move, answer or otherwise respond. ERISA Plaintiffs shall have forty-five (45) days to oppose any dispositive motion brought by Defendants directed at the Consolidated ERISA Complaint. The Defendants shall have another thirty (30) days to file and serve any reply. Additionally, ERISA Plaintiffs need not file a motion for class certification within the time period prescribed in Local R. Civ. P. 23.1(e). Following Defendants' answer to the Consolidated ERISA Complaint or the Court's denial of Defendants' motion to dismiss the Consolidated ERISA Complaint, whichever occurs first, counsel for the ERISA Plaintiffs and Defendants shall meet and confer and provide the Court with a fulsome proposed pre-trial schedule, including the date by which ERISA Plaintiffs will move for class certification.

SO ORDERED, this ^{17th} day of ~~March~~ ^{June}, 2010


Honorable Cynthia M. Rufe
United States District Judge