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<i>In re</i> .....	: Chapter 11
ADVANTA CORP., <i>et al.</i> ,	: Case No. 09-[●] (●)
	: (Joint Administration Requested)
Debtors. <sup>1</sup>	:
	:
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Advanta Corp. (“***Advanta***”) and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “***Debtors***”) respectfully represent:

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RLF1-3502363-1

### **Relief Requested**

1. By this motion (the “**Motion**”), the Debtors request, pursuant to sections 105(a) and 362 of the Bankruptcy Code, entry of an interim order (the “**Interim Order**”) and a final order (the “**Final Order**” and, together with the Interim Order, the “**Order**” or the “**Orders**”) authorizing the Debtors to establish procedures as set forth herein to protect the potential value of the Debtors’ net operating loss carryforwards (“**NOLs**”) and certain other tax attributes (together with the NOLs, the “**Tax Attributes**”). A copy of each of the proposed Orders is annexed hereto as Exhibit A and Exhibit B respectively. The proposed procedures (the “**Procedures**”) would apply with respect to (i) Advanta Stock (as hereinafter defined) and any options or similar interests to acquire such stock and (ii) Claims (as hereinafter defined) against the Debtors. The Procedures would impose restrictions and notification requirements, to be effective *nunc pro tunc* to the filing of this Motion. Parties would be notified of the Procedures through publication of (i) a notice substantially in the form annexed hereto as Exhibit C (the “**Interim Procedures Notice**”), which describes the trading restrictions and notification requirements established in the Interim Order and sets forth a hearing date to determine whether the procedures described herein will be approved on a final basis, and (ii) a form of notice of the Procedures annexed hereto as Exhibit D (the “**Final Procedures Notice**”), which describes the trading restrictions and notification requirements established in the Final Order .

### **Tax Attributes**

2. The Debtors estimate that, as of the date hereof, the Debtors have incurred, for U.S. federal income tax purposes, consolidated NOLs in excess of \$490 million, in addition to certain other Tax Attributes.

3. The Tax Attributes are valuable assets of the Debtors’ estates because the Internal Revenue Code of 1986, as amended (the “**Tax Code**”), generally permits corporations to

carry over their losses and tax credits to offset future income, thereby reducing such corporations' tax liability in future periods. *See* 26 U.S.C. §§ 39, 172 and 904(c). The Debtors' Tax Attributes (even after the application of expected carrybacks) potentially allow the Debtors to significantly reduce future U.S. federal income tax liability, depending upon future operating results of the Debtors, and absent any intervening limitations prior to the effective date of a chapter 11 plan of reorganization. These savings could substantially enhance the Debtors' cash position for the benefit of all parties in interest and contribute to the Debtors' efforts toward a successful reorganization.

4. The Debtors' ability to use their Tax Attributes to reduce future tax liability is subject to certain statutory limitations. Sections 382 and 383 of the Tax Code limit a corporation's use of its NOLs, tax credits and certain other tax attributes to offset future income or tax after the corporation experiences an "ownership change." For purposes of section 382, an ownership change generally occurs when the percentage of a loss corporation's equity held by one or more "5-percent shareholders" (as such term is defined in section 382) increases by more than 50 percentage points over the lowest percentage of stock owned by such shareholder(s) at any time during the relevant testing period (usually three years). A section 382 ownership change *prior to* the effective date of a chapter 11 plan would effectively eliminate the Debtors' ability to use their Tax Attributes, thereby resulting in a significant loss of potential value. However, the limitations imposed by section 382 in the context of an ownership change pursuant to a confirmed plan of reorganization or applicable bankruptcy court order are significantly more relaxed than those applicable outside chapter 11. *See* 26 U.S.C. §§ 382(1)(5), (6). Although the application of section 382(1)(5) to an ownership change occurring in connection with the consummation of a plan of reorganization or applicable court order may be favorable, qualifying

for the benefits of section 382(l)(5) does not undo any annual limitation imposed in connection with an ownership change occurring prior to the effective date of the plan of reorganization or applicable court order.

5. It is likely that any chapter 11 plan that contemplates a reorganization of the Debtors will involve the issuance of new common stock in the Debtors (or any successor to the Debtors) and the distribution of such stock to certain creditors in satisfaction, in whole or in part, of their respective Claims against any of the Debtors. This issuance and distribution likely would result in an “ownership change” under section 382 of the Tax Code. In such event, the Debtors may avail themselves of the special relief afforded by section 382(l)(5) of the Tax Code for ownership changes pursuant to a confirmed chapter 11 plan of reorganization or applicable court order. Such relief, however, may not be available if the trading and accumulation of Claims prior to the effective date of a chapter 11 plan is left unrestricted.

6. Accordingly, consistent with the automatic stay in these cases, the Debtors need the ability to preclude certain transfers of, and monitor and possibly object to other changes in the ownership of, Advanta Stock and Claims, and to require the potential sell-down of Claims acquired during the bankruptcy case, to ensure that an ownership change does not occur prior to the effective date of a chapter 11 plan or applicable court order *and* that the Debtors will have the opportunity to avail themselves of relief under section 382(l)(5).

#### **Proposed Trading and Other Disposition Procedures**

7. To preserve the potential value of the Tax Attributes and ensure that the Debtors receive the full benefits of the automatic stay, the Debtors propose the following restrictions, notification requirements, and/or other procedures, as embodied in the proposed Interim Order and Final Order, effective as of the Commencement Date:

(a) ***Advanta Stock Ownership, Acquisition, and Disposition.***

- (i) **Notice of Substantial Stock Ownership.** Any person or Entity (as such term is defined in section 1.382-3(a) of the U.S. Department of Treasury Regulations promulgated under the Tax Code (“***Treasury Regulations*”**)), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) that beneficially owns, at any time on or after the Commencement Date, Advanta Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for any statutory committee of unsecured creditors appointed in these cases (the “***Creditors’ Committee*”**), a Notice of Substantial Stock Ownership (a “***Substantial Ownership Notice*”**), in the form annexed hereto as Exhibit E, which describes specifically and in detail the Advanta Stock ownership of such person or Entity, on or before the date that is the later of: (a) ten (10) business days after the entry of the Interim Order or the Final Order, as applicable, and (b) ten (10) business days after that person or Entity qualifies as a Substantial Equityholder. At the holder’s election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns.
- (ii) **Acquisition of Advanta Stock or Options.** At least twenty (20) business days prior to the proposed date of any transfer of equity securities (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Advanta Stock beneficially owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “***Proposed Equity Acquisition Transaction*”**), such person, Entity or Substantial Equityholder (a “***Proposed Equity Transferee*”**) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Advanta Stock (an “***Equity Acquisition Notice*”**), in the form annexed hereto as Exhibit F, which describes specifically and in detail the proposed transaction in which Advanta Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.

- (iii) Disposition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer or other disposition of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Advanta Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “**Proposed Equity Disposition Transaction**,” and together with a Proposed Equity Acquisition Transaction, a “**Proposed Equity Transaction**”), such person, Entity, or Substantial Equityholder (a “**Proposed Equity Transferor**”) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Sell, Trade, or Otherwise Transfer Advanta Stock (an “**Equity Disposition Notice**,” and together with an Equity Acquisition Notice, an “**Equity Trading Notice**”), in the form annexed hereto as Exhibit G, which describes specifically and in detail the proposed transaction in which Advanta Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to sell or otherwise transfer.
- (iv) Objection Procedures. The Debtors and the Creditors’ Committee shall have fifteen (15) business days after the filing of an Equity Trading Notice (the “**Equity Objection Deadline**”) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of equity securities (including Options to acquire such securities) described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an “**Equity Objection**”) as a result of an ownership change under section 382 or section 383 of the Tax Code.
- (1) If the Debtors or the Creditors’ Committee file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
  - (2) If the Debtors and the Creditors’ Committee do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors and the Creditors’ Committee provide written authorization to the Proposed Equity Transferee or the Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction, prior to the Equity Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction

must be the subject of additional notices as set forth herein with an additional twenty (20) business day waiting period.

- (v) Unauthorized Transactions in Advanta Stock or Options. Effective as of the Commencement Date and until further order of the Court to the contrary, any acquisition, disposition or other transfer of equity securities (including Options to acquire such securities) of the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.
- (vi) Definitions. For purposes of this Motion and the Order, the following terms have the following meanings:
  - (1) Advanta Stock. “Advanta Stock” shall mean Advanta’s Class A Preferred Stock, Class A Common Stock and Class B Common Stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Advanta Stock may be treated as the owner of such Advanta Stock.
  - (2) Beneficial Ownership. “Beneficial ownership” (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the “*IRS*”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.
  - (3) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
  - (4) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that beneficially owns at least:
    - a. 47 shares of Advanta’s Class A Preferred Stock (representing 4.75% of all shares of Advanta’s Class A Preferred Stock issued and outstanding);

- b. 684,481 shares of Advanta's Class A Common Stock (representing 4.75% of all shares of Advanta's Class A Common Stock issued and outstanding); or
- c. 1,413,432 shares of Advanta's Class B Common Stock (representing 4.75% of all shares of Advanta's Class B Common Stock issued and outstanding).

**(b) Trading in Claims.**

**(i) Notice of Substantial Claimholder Status; Notice of 382(l)(5) Plan.**

- (1) Any person or Entity (as such term is defined in Treasury Regulations section 1.382-3(a), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) who currently is or becomes a Substantial Claimholder (as defined in Paragraph (b)(vi)(12)) shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice of such status (a "***Notice of Substantial Claimholder Status***"), in the form annexed hereto as Exhibit H, within ten (10) business days of the later of (A) the entry of the Interim Order or the Final Order, as applicable and (B) the date on which such person or Entity becomes a Substantial Claimholder. At the holder's election, the Notice of Substantial Claimholder Status that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the aggregate dollar amount of Claims that such holder beneficially owns.
- (2) Upon filing a plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (the "***382(l)(5) Plan***"), the Debtors shall (A) publish (or arrange for publication of) a notice and provide a written notice to the Notice Parties and Electing Claimholders (as hereinafter defined), disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as hereinafter defined) in connection therewith on the website [www.gardencitygroup.com](http://www.gardencitygroup.com) and in the national edition of *The Wall Street Journal* (a "***Notice of 382(l)(5) Plan***"), (B) identify the applicable Threshold Amount of Claims (as hereinafter defined, by class or other applicable breakdown) for status as a Substantial Claimholder and (C) request from each Electing Claimholder (including a Deemed Electing Claimholder) updated information regarding the aggregate amount of Claims beneficially owned by such Electing Claimholder, which updated information shall be delivered by such Electing



Claimholder to the Debtors within ten (10) business days of receipt of the request therefor or, in the case of a Deemed Electing Claimholder, ten (10) business days of the date of the Notice of 382(l)(5) Plan.

For the avoidance of doubt, the Debtors shall have no obligation under the Order to provide notice to any Deemed Electing Claimholder (as defined in Paragraph (b)(iv)(1)) of the matters set forth in this Paragraph (b)(i)(2), and the lack of such notice shall not limit the obligation of a Deemed Electing Claimholder to comply with the requirements of a Sell-Down Notice or affect the application of the Equity Forfeiture Provision (as hereinafter defined) with respect to such Deemed Electing Claimholder.

- (3) The Debtors shall disclose the applicable Threshold Amounts in the Notice of 382(l)(5) Plan as of the date of the Notice of 382(l)(5) Plan based on then available information, including any change in the Threshold Amounts for the Retail Notes or other unsecured Claims (which for this purpose shall include the Trust Preferreds). The Debtors may adjust the Threshold Amounts based on the updated information from Electing Claimholders pursuant to Paragraph (b)(i)(2). If the Threshold Amounts are adjusted, the Debtors shall provide a notice of such adjusted amount in the same manner as the Notice of 382(l)(5) Plan and such notice shall be treated as an amended Notice of 382(l)(5) Plan, thereby requesting updated information from each Electing Claimholder and Deemed Electing Claimholder.

(ii) Advance Approval of Acquisition Provisions.

- (1) Acquisition of Claims. Except as provided in Paragraph (b)(v) and the Electing Claimholder provisions in Paragraph (b)(iii), at least twenty (20) business days prior to the proposed date of any transfer of Claims that would result in (A) an increase in the dollar amount of Claims beneficially owned by a Substantial Claimholder or (B) any person or Entity becoming a Substantial Claimholder (a “**Proposed Claims Acquisition Transaction**”), such person, Entity, or Substantial Claimholder (a “**Proposed Claims Transferee**”) may file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim (a “**Claims Acquisition Request**”), in the form annexed hereto as Exhibit I, which describes specifically and in detail the intended acquisition of Claims, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001. At the Proposed Claims Transferee’s election, the Claims Acquisition Request that is filed with the

Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such transferee's taxpayer identification number and the aggregate dollar amount of Claims that such transferee beneficially owns and proposes to purchase or otherwise acquire.

- (2) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and in consultation with the attorneys for the Creditors' Committee, whether or not to approve a Claims Acquisition Request. A Claims Acquisition Request that is not approved in writing by the Debtors within fifteen (15) business days after the filing of a Claims Acquisition Request shall be deemed rejected. In the event a Proposed Claims Transferee's request is rejected prior to the date of a Notice of 382(l)(5) Plan, and the Proposed Claims Transferee still desires to pursue the Proposed Claims Acquisition Transaction, the Proposed Claims Transferee is subject to, and may avail itself of, the Electing Claimholders provisions in Paragraph (b)(iii) below.

(iii) Electing Claimholders.

- (1) Any person or Entity may trade freely and make a market in Claims without having to obtain advance approval as otherwise required under Paragraph (b)(ii) (the "***Advance Approval of Acquisition Provisions***") if such person or Entity makes an election pursuant to this Paragraph (b)(iii). In order to make such election, a person or Entity shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, an election notice, in the form annexed hereto as Exhibit J (the "***Election Notice***") within ten (10) business days after the later of (A) the date of the first purchase or acquisition of, or other increase in the beneficial ownership of, Claims by a Substantial Claimholder following the entry of the Interim Order or the Final Order, as applicable, and (B) the date of any purchase or acquisition of, or other increase in the beneficial ownership of, Claims that causes such person or Entity to become a Substantial Claimholder. Filing or service of such Election Notice shall constitute acceptance of the terms and conditions set forth in such notice and in this Paragraph (b)(iii) by a person or Entity who files or serves such Election Notice (an "***Electing Claimholder***"). An Electing Claimholder shall remain subject to the initial notice requirements of Paragraph (b)(i).
- (2) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), any Electing Claimholder that participates in formulating any chapter 11 plan of reorganization of or on behalf

of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims (as hereinafter defined). For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- (3) Following the issuance of a Notice of 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the beneficial ownership of Claims by an Electing Claimholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Debtors may request, after notice to each Electing Claimholder and the Creditors' Committee and a hearing, that the Court enter an order approving the issuance of a notice (the "**Sell-Down Notice**") that such Electing Claimholder must sell, cause to sell or otherwise transfer all or a portion of its beneficial ownership of Claims (by class or other applicable breakdown) in excess of (A) the amount of Claims beneficially owned by such Electing Claimholder over (B) the Maximum Amount (as hereinafter defined) for such Electing Claimholder (such excess amount, an "**Excess Amount**"). If the Court approves the Debtors' issuance of a Sell-Down Notice, the Debtors may issue such notices to the relevant Electing Claimholders.

Prior to (A) the effective date of the 382(l)(5) Plan or (B) such earlier date specified by the Debtors but no earlier than the day after the entry of the order confirming the 382(l)(5) Plan (the "**Sell-Down Date**"), each Electing Claimholder shall sell, cause to sell or otherwise transfer an amount of the beneficial ownership of Claims (if any) necessary to comply with the Sell-Down Notice (the "**Sell-Down**"); *provided, however*, that notwithstanding anything to the

contrary in the Order, no Claimholder shall be required to sell, cause to sell or otherwise transfer any beneficial ownership of Claims if such sale would result in such holder having beneficial ownership of an aggregate amount of Claims (by class or other applicable breakdown) that is less than such holder's Protected Amount (as hereinafter defined). Each Electing Claimholder shall sell, cause to sell or otherwise transfer its beneficial ownership of Claims subject to the Sell-Down to Permitted Transferees (as hereinafter defined); *provided however* that such Electing Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Claims.

An Electing Claimholder subject to the Sell-Down shall, within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Securities, serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice substantially in the form annexed hereto as Exhibit K that such Electing Claimholder has complied with the terms and conditions set forth in this Paragraph (b)(iii)(3) and that such Electing Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the "***Notice of Compliance***"). Any Electing Claimholder who fails to comply with this provision shall not receive Affected Securities (as hereinafter defined) with respect to any Excess Amount of Claims.

- (4) Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Election Notices that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all Election Notices and any additional information provided by an Electing Claimholder pursuant to Paragraph (b)(iii)(3) strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity; *provided, however*, that the Debtors may disclose the identity of the Electing Claimholder to their counsel and professional financial advisors and/or the counsel and professional financial advisors of the Creditors' Committee and of any other person(s) that are subject to a nondisclosure agreement with the Debtors, each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity, including a member of any committee or the advisor's client, subject to further order of

the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, such confidential information (determined by, among other things, whether such information was redacted in any public filing) shall be filed under seal.

- (5) Any proposed transfer or acquisition of Claims following the issuance of a Notice of 382(l)(5) Plan shall be subject to the Advance Approval of Acquisition Provisions provided under Paragraph (b)(ii).
- (6) Any Electing Claimholder that violates its obligations under an Election Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (including Options, as defined in Paragraph (a)(vi)(3)) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Claims for such Electing Claimholder, including any consideration in lieu thereof, *provided* that such Electing Claimholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Claims (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (A) any Forfeited Equity still held by such acquirer and (B) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.
- (7) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the

market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson's summary of the transaction).

(iv) Deemed Electing Claimholders; Sanctions.

- (1) Notwithstanding the foregoing, effective as of the Commencement Date and until further order of the Court to the contrary, any person or Entity that (A) is not a Substantial Claimholder and purchases, acquires or otherwise increases the beneficial ownership of Claims that causes such person or Entity to become a Substantial Claimholder, or (B) is a Substantial Claimholder and purchases, acquires, or otherwise increases the beneficial ownership of Claims shall either comply with the Advance Approval of Acquisition Provisions pursuant to Paragraph (b)(ii) or, to the extent permitted in Paragraph (b)(iii), file an Election Notice and thereby become an Electing Claimholder, *provided* that any such person or Entity that neither satisfies the Advance Approval of Acquisition Provisions nor files a timely Election Notice shall be deemed to have filed an Election Notice on the Commencement Date and to have become an Electing Claimholder (a "***Deemed Electing Claimholder***") for all purposes of the Order (other than the issuance of a direct notice to Electing Claimholders, whenever required). Deemed Electing Claimholders shall be subject to all the obligations of Electing Claimholders, including, without limitation, the requirement that Electing Claimholders sell, cause to sell or otherwise transfer all or a portion of the beneficial ownership of Claims pursuant to a Sell-Down Notice or be subject to the Equity Forfeiture Provision. Nothing in this Paragraph (b)(iv) shall be read to relieve a Deemed Electing Claimholder of its obligations to notify the Debtors of such holder's status as a Substantial Claimholder. Except as otherwise provided herein, all references to an Electing Claimholder herein and in the Order shall include a Deemed Electing Claimholder.
- (2) Effective as of the Commencement Date, any purchase or acquisition of, or other increase in the beneficial ownership of, Claims in violation of the Order by a Substantial Claimholder shall be subject to such remedy as the Court may find to be appropriate upon motion by the Debtors, including, without limitation, ordering for such noncompliant Substantial Claimholder to divest itself promptly of any beneficial ownership of Claims purchased or

otherwise acquired in violation of the Order and monetary damages for any costs incurred by the Debtors in connection with the enforcement of the Order. For the avoidance of doubt, any sanctions imposed by the Court on a noncompliant Substantial Claimholder pursuant to this Paragraph (b)(iv)(2) shall be in addition to the consequences of treating such noncompliant Substantial Claimholder as a Deemed Electing Claimholder for all purposes of the Order.

- (v) Exception. No person or Entity shall be subject to the Advance Approval of Acquisition Provisions of Paragraph (b)(ii) or the Electing Claimholders provisions of Paragraph (b)(iii) with respect to any transfer described in Treasury Regulations section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii); *provided, further*, that any such transferee who becomes a Substantial Claimholder shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice of such status, in the form annexed hereto as Exhibit H, within ten (10) business days of the later of (i) the day of the entry of the Interim Order or the Final Order, as applicable, by the Court and (ii) the date on which such person or Entity becomes a Substantial Claimholder.
- (vi) Definitions. For purposes of this Motion, the following terms have the following meanings:
  - (1) Applicable Percentage. "Applicable Percentage" means, if only one class of Affected Securities is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Claims will receive a pro-rata distribution of the Affected Securities, 4.5% of the number of such shares that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of the common stock or any other equity securities of the reorganized Debtors (or any successor), including Options (the "*Affected Securities*"), is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders within a class of Claims may receive a disproportionate distribution of such securities relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other interests in

each class of Affected Securities that would constitute the Applicable Percentage.

- (2) Beneficial Ownership. “Beneficial ownership” of a Claim shall mean:

(x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all Claims owned or acquired by its subsidiaries), and (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order.

- (3) Claim. A “Claim” shall be (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of any Claims hereunder, any applicable intercreditor agreements, including subordination agreements, shall be given effect in accordance with their terms. Nothing contained in this Paragraph (b)(vi)(3) shall be deemed an admission of a party or be used by any party for any purpose other than compliance with the Order and shall not constitute an admission or evidence by any party with respect to Claims made or to be made against the Debtors.
- (4) Entity. “Entity” shall have the meaning set forth in Paragraph (b)(i)(1) above.
- (5) Maximum Amount. “Maximum Amount” means for each person or Entity and by class or other applicable breakdown of Claims, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Electing Claimholder.



- (6) Newly Traded Claims. “Newly Traded Claims” means Claims (i) with respect to which a person or Entity acquired beneficial ownership after the date that was 18 months before the Commencement Date; and (b) that are not “ordinary course” claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same person or Entity has always had Beneficial Ownership.
- (7) Notice Parties. “Notice Parties” shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors’ 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors’ Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.
- (8) Option. “Option” shall have the meaning given to such term under Treasury Regulations section 1.382-4(d)(9)(i), with respect to the acquisition of a Claim or any consideration (including equity) distributed in respect of any Claim pursuant to a plan of reorganization or applicable bankruptcy court order.
- (9) Permitted Transferee. A “Permitted Transferee” with respect to an Electing Claimholder is a person or Entity whose holding of a Claim would not result in such Electing Claimholder having beneficial ownership of such Claim.
- (10) Protected Amount. “Protected Amount” means the amount of Claims (by class or other applicable breakdown) of which a holder had beneficial ownership on the Commencement Date, increased by the amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date.
- (11) Retail Notes. The “Retail Notes” shall mean the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York

Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee.

- (12) Substantial Claimholder. A “Substantial Claimholder” is any person or Entity that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person or Entity through which such person or Entity beneficially owns Claims against the Debtors, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when testing for Substantial Claimholder status, treating Claims as if they were stock.

- (13) Threshold Amount. “Threshold Amount” means, initially, in the case of the Retail Notes, \$6,300,000, and in the case of other unsecured Claims (which for this purpose shall include the Trust Preferreds), \$4,200,000, which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order.

- (14) Trust Preferreds. The “Trust Preferreds” shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

**(c) *Noncompliance with the Trading Procedures.***

Any purchase, sale, or other transfer of Claims against, or equity securities in, the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee.

**(d) *Debtors’ Right to Waive.***

The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Motion.

**The Tax Attributes Are Property of the Debtors' Estates;  
Thus, the Automatic Stay Bars Any Equity or Claim Transfers That  
Would Diminish or Limit the Debtors' Interest in the Tax Attributes**

8. Section 362(a) of the Bankruptcy Code operates as a stay of, among other things, “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. § 362(a)(3). Accordingly, “where a non-debtor’s action with respect to an interest that is intertwined with that of a bankrupt debtor would have the legal effect of diminishing or eliminating property of the bankrupt estate, such action is barred by the automatic stay.” *Official Committee of Unsecured Creditors v. PSS Steamship Co. (In re Prudential Lines Inc.)*, 928 F.2d 565 (2d Cir. 1991), *cert. denied*, 502 U.S. 821 (1991).

9. It is well established that a debtor’s NOLs are property of the debtor’s estate which is protected by section 362 of the Bankruptcy Code. *See Nisselson v. Drew Indus., Inc. (In re White Metal Rolling & Stamping Corp.)*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) (“It is beyond peradventure that NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them.”). The United States Court of Appeals for the Second Circuit, in its seminal *Prudential Lines* decision, affirmed the application of the automatic stay and upheld a permanent injunction prohibiting a parent corporation from taking a worthless stock deduction for the stock of its debtor subsidiary because doing so would have adversely affected the subsidiary’s ability to use its NOLs under the special relief provisions of section 382 of the Tax Code. 928 F.2d 565. The Second Circuit stated:

Including NOL carryforwards as property of a corporate debtor’s estate is consistent with Congress’ intention to “bring anything of value that the debtors have into the estate.” Moreover, “[a] paramount and important goal of Chapter 11 is the rehabilitation of the debtor by offering breathing space and an opportunity to rehabilitate its business and eventually generate revenue.” Including the right to a NOL carryforward as property of [the debtor’s] bankruptcy estate furthers the purpose of facilitating the reorganization of [the debtor].

*Id.* at 573 (internal citations omitted); *see also In re Fruehauf Trailer Corp.*, 444 F.3d 203 (3d Cir. 2006) (“Property of the estate ‘includes all interests, such as . . . contingent interests and future interests, whether or not transferable by the debtor.’”) (quoting *Prudential Lines*, 928 F.2d at 572); *Gibson v. United States (In re Russell)*, 927 F.2d 413, 417 (8th Cir. 1991) (concluding the “right to carry forward the [debtor’s] NOLs” was a “property interest” of the estate).

10. In *Prudential Lines*, the parent corporation’s interest in its worthless stock deduction was intertwined with the debtor’s NOLs. The Second Circuit determined that, if the parent were permitted to take a worthless stock deduction, it would have an adverse impact on the debtor subsidiary’s ability to carry forward its NOLs. Therefore, the Second Circuit noted that, “despite the fact that the [parent corporation’s] action is not directed specifically at [the debtor subsidiary], it is barred by the automatic stay as an attempt to exercise control over property of the estate.” *Prudential Lines*, 928 F.2d at 573-574.

11. The Second Circuit also held that the permanent injunction was supported by the court’s equitable powers pursuant to section 105(a) of the Bankruptcy Code, which authorizes the court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code. Because the NOLs were valuable assets of the debtor, the Second Circuit refused to disturb the bankruptcy court’s determination that elimination of the right to apply its NOLs to offset income on future tax returns would impede the debtor’s reorganization. *Id.* at 574.

12. Similarly, in *In re Phar-Mor, Inc.*, 152 B.R. 924 (Bankr. N.D. Ohio 1993), the chapter 11 debtors moved to prohibit the transfer of their stock that could have an adverse effect on their ability to use NOLs. The court held that the NOLs qualified as property of the estate and issued an injunctive order to enforce the automatic stay and protect the assets of the

debtors' estates. Significantly, the court granted the relief requested even though the stockholders did not state any intent to sell their stock and even though the debtors did not show that a sale was pending that would trigger the prescribed ownership change under section 382 of the Tax Code. *See id.* at 927. Despite the "ethereal" nature of the situation, the court observed that "[w]hat is certain is that the *NOL has a potential value, as yet undetermined*, which will be of benefit to creditors and will assist debtors in their reorganization process. This asset is entitled to protection while debtors move forward toward reorganization." *Id.* (emphasis added). The court also concluded that, because the debtors were seeking to enforce the stay, they did not have to meet the more stringent requirements for preliminary injunctive relief:

The requirements for enforcing an automatic stay under 11 U.S.C. § 362(a)(3) do not involve such factors as lack of an adequate remedy at law, or irreparable injury, or loss and a likelihood of success on the merits. The key elements for a stay . . . are the existence of property of the estate and the enjoining of all efforts by others to obtain possession or control of property of the estate.

*Id.* at 926 (quoting *In re Golden Distribs., Inc.*, 122 B.R. 15, 19 (Bankr. S.D.N.Y. 1990)).

13. Restrictions on equity and claims trading to protect a debtor against the possible loss of its NOLs and other valuable tax attributes are regularly applied by courts. *See, e.g., In re Northwest Airlines Corp.*, Ch. 11 Case No. 05-17930 (ALG) (Bankr. S.D.N.Y. 2005) (approving notification procedures and restrictions on certain transfers of claims against and equity interests in the debtors); *In re Delta Air Lines, Inc.*, Ch. 11 Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. 2005) (approving notification procedures and restrictions on certain transfers of claims against and equity interests in the debtors); *In re WorldCom, Inc.*, Ch. 11 Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. 2003) (restricting acquisitions of stock above a certain threshold and establishing notification requirements for certain acquisitions of claims); *In re Metrocall, Inc.*, Ch. 11 Case No. 02-11579 (Bankr. D. Del. 2002) (approving procedures where debtor

would provide 5 business days' notice to object to proposed transfers of stock that would result in a transferee holding 5-percent or more of the debtor's stock or a reduction in the ownership interest of an existing 5-percent or greater shareholder); In re Reliance Acceptance Group Inc., Ch. 11 Case No. 98-288 (PJW) (Bankr. D. Del. 1998) (providing debtor with 30-days notice to object to proposed transfers that would result in a transferee holding 5 percent or more of debtor's common stock).

14. As these cases demonstrate, it is well settled that the automatic stay under section 362(a)(3) of the Bankruptcy Code enjoins actions that would adversely affect a debtor's NOLs and other tax attributes. These actions, including the trading of stock in a debtor, may therefore be determined to be null and void *ab initio*.

**The Proposed Procedures Are  
Necessary and in the Best Interests of the Debtors, Their Estates, and Creditors**

15. The proposed procedures are necessary to preserve the Debtors' ability to use their Tax Attributes, which are valuable assets of the Debtors' estates, while providing latitude for trading in interests below specified levels and trading in Claims above such levels subject to the possible requirement to Sell-Down. The Debtors' ability to meet the requirements of the tax laws to preserve their Tax Attributes may be seriously jeopardized unless procedures are established to ensure that trading in certain interests in or Claims against the Debtors are either precluded or closely monitored and made subject to Court approval.

16. Absent an ownership change under section 382 of the Tax Code prior to the effective date of a plan of reorganization, the Debtors expect to be able to use a portion of the Tax Attributes to offset future income and eliminate future income tax liability. Furthermore, maintenance of the Debtors' Tax Attributes may enhance the Debtors' prospects for a successful emergence from chapter 11. Thus, the Tax Attributes are valuable assets of the Debtors' estates

and are entitled to the protection of the automatic stay, and the exercise of this Court's equitable powers under Bankruptcy Code section 105(a) is appropriate.

17. The relief requested herein is narrowly tailored to permit certain stock and Claims trading to continue, subject to Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws. The Debtors hereby are seeking only to enforce the provisions of the automatic stay in connection with certain types of stock and Claims trading that pose a serious risk under the ownership change tests and to monitor (with limited circumspections) other types of trading that potentially pose a serious risk.

18. The proposed restrictions on stock trading are crucial because once an interest is transferred the transaction arguably might not be reversible for tax purposes, though it should be null and void under Bankruptcy Code section 362. Accordingly, once a transfer acts to limit the Debtors' ability to use their Tax Attributes under section 382 of the Tax Code, such ability may be permanently lost. The relief requested is, therefore, critical to prevent an irrevocable loss of the Debtors' use of their Tax Attributes.

19. The requested relief with respect to Claims trading has been narrowly tailored to allow the full trading of Claims until the Debtors desire to pursue a plan of reorganization contemplating the potential utilization of section 382(l)(5) of the Tax Code, at which point, if necessary for the Debtors to qualify under section 382(l)(5) of the Tax Code, a subsequent purchaser of Claims is required to resell a certain amount of Claims that were purchased since the Commencement Date.

20. It is in the best interests of the Debtors and their stakeholders to restrict stock trading that could result in an ownership change under section 382 of the Tax Code *before* the effective date of a plan of reorganization or a bankruptcy court order, as applicable. If such

an ownership change occurs, the valuation for determining the annual amount of useable NOLs and other affected Tax Attributes would be at or close to zero, effectively eliminating the availability of such NOLs and certain other attributes. However, the limitations imposed by section 382 in the context of an ownership change that occurs *pursuant to* a confirmed plan of reorganization or applicable bankruptcy court order are significantly more relaxed than those applicable outside of chapter 11. *See* 26 U.S.C. §§ 382(1)(5), (6).

21. Under section 382(l)(5) of the Tax Code, a corporation is not subject to the annual limitation ordinarily imposed by section 382 with respect to an ownership change resulting from consummation of a plan of reorganization or pursuant to an applicable bankruptcy court order, provided that the debtor's pre-change shareholders (*i.e.*, persons or entities who owned the debtor's stock immediately before the relevant ownership change) and/or Qualified Creditors (as hereinafter defined) emerge from the reorganization owning at least 50-percent of the total value and voting power of the debtor's stock immediately after the ownership change. 26 U.S.C. § 382(1)(5)(A). Under section 382(1)(5)(E) of the Tax Code and the Treasury Regulations thereunder, a creditor whose claim is exchanged for stock under a plan of reorganization or pursuant to an applicable bankruptcy court order is a "Qualified Creditor" for section 382 purposes if such claim either (i) has been owned by such creditor for 18 or more months prior to the date of filing of the bankruptcy petition or (ii) arose in the ordinary course of the debtor's business and was at all times beneficially owned by such creditor. Creditors may also be classified as "qualified," despite not satisfying the continuous ownership requirements under either (i) or (ii) of the preceding sentence, if such creditors meet the criteria set forth in the *de minimis* rule described below.



22. Under Treasury Regulation section 1.382-9(d)(3) (the “*de minimis rule*”), a debtor may, for purposes of the section 382(1)(5) safe harbor, “treat indebtedness as always having been owned by the beneficial owner of the indebtedness immediately before the ownership change if the beneficial owner is not, immediately after the ownership change, either a 5-percent shareholder or an entity through which a 5-percent shareholder owns an indirect ownership interest” in the debtor. Such a claimholder will always be regarded as a Qualified Creditor under the section 382(1)(5) safe harbor unless the particular claim(s) that it holds both (i) did not arise in the ordinary course of the issuing debtor’s business, and (ii) was not in existence 18 months prior to the filing of the bankruptcy petition.

23. Although there can be no assurance that the section 382(1)(5) safe harbor ultimately will be available to the Debtors, it is important that the Debtors preserve the ability to propose a plan of reorganization or other transactions that could take advantage of that safe harbor. Because the determination of whether a creditor is “qualified,” in whole or in part, depends on the nature of the Claims and whether such creditor has held its Claims until the effective date of the plan of reorganization or other applicable transactions, transfers of Claims by creditors before such date pose a threat to the Debtors’ ability to satisfy the requirements of the section 382(1)(5) safe harbor. Although certain Claims were not in existence 18 months prior to the filing of the bankruptcy petition and may not have arisen in the ordinary course of business, and thus may not themselves be appropriate Claims for qualification, the requested relief is appropriate for such Claims as well because the accumulation of such Claims together with so-called “good” Claims could disqualify such good Claims if the holder became a 5-percent shareholder pursuant to the plan. Likewise, because transfers of Advanta Stock by or into the hands of 5-percent shareholders before the effective date of the plan of reorganization or

other applicable transactions could trigger an ownership change that would impose a severe limitation on or effectively eliminate the Debtors' use of the Tax Attributes, even if the Debtors later satisfied the requirements of section 382(1)(5) in connection with a second ownership change resulting from the plan or otherwise, such pre-plan transfers pose a threat to the postreorganization value of the Tax Attributes. The requested relief will ensure that the Debtors have maximum flexibility to structure a chapter 11 plan or other distributions that meet the requirements of section 382(1)(5) and thus preserves the Tax Attributes to the fullest extent.

24. Even if it is ultimately determined that section 382(1)(5) is unavailable to the Debtors, it is in the best interests of the Debtors and their estates to restrict equity trading that could result in an ownership change prior to consummation of a plan of reorganization, for at least two additional reasons. First, an ownership change must occur pursuant to consummation of the plan or a bankruptcy court order, in order for the Debtors to qualify for the other section 382 bankruptcy relief provision – the favorable valuation rule of section 382(1)(6). Specifically, section 382(1)(6) provides that if a corporation undergoes an ownership change pursuant to a plan of reorganization and section 382(1)(5) does not apply (either because the corporation elects out of that provision or because its requirements are not satisfied), then the appropriate value of the Debtors for purposes of calculating the section 382 limitation shall reflect the increase in value of the Debtors resulting from any surrender or cancellation of creditors' claims in the transaction. Generally, under section 382 of the Tax Code, the taxable income of a loss corporation available for offset by pre-ownership change Tax Attributes is annually limited to an amount equal to the long-term tax-exempt bond rate times the value of the loss company's stock *immediately before* the ownership change. Thus, assuming the equity value of the Debtors increases as a result of the reorganization, section 382(1)(6) will provide for a higher annual

limitation than would result under the general rules of section 382 and will preserve the Debtors' ability to use a greater portion of its otherwise available Tax Attributes to offset any post-change income. Second, preventing an ownership change prior to the effective date of a plan of reorganization or applicable bankruptcy court order will also benefit the Debtors' estates by ensuring that the Debtors will have unlimited use of the Tax Attributes to offset any income arising *prior to* the effective date of the plan or order, which income may be significant in amount. 26 U.S.C. § 382(a). In all circumstances, it is in the best interests of the Debtors and their stakeholders to grant the requested relief so as to prevent an ownership change prior to the effective date of a plan of reorganization or applicable court order.

#### **The Interim Approval Should Be Granted**

25. The granting of interim approval will benefit the Debtors and their stakeholders by preventing the loss of the Tax Attributes pending determination of final approval of the requested procedures while allowing holders of Advanta Stock and/or Claims and other parties in interest ample time to consider the proposed procedures. Absent granting the interim relief requested herein, the Debtors may be irreparably harmed by the mere filing of this Motion. If the Debtors filed this Motion in accordance with the notice procedures set forth in the applicable Federal Rules of Bankruptcy Procedure and Local Rules, it is possible that a flurry of equity and claims trading would immediately follow. Parties holding Advanta Stock and/or Claims may rush to transfer their interests in the Debtors before any prohibition on trading is approved by this Court. Such trading would put the Debtors' Tax Attributes in jeopardy and be counterproductive to the Debtors' objectives in seeking the relief requested herein. Accordingly, the Debtors request that the procedures proposed herein be approved on an interim basis and that a hearing be scheduled to consider entry of the Final Order.

26. Within three (3) business days of the entry of the proposed Interim Order, the Debtors propose to send the Interim Procedures Notice describing the authorized trading restrictions and notification requirements to “Notice Parties” shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors’ 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors’ Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.

27. Until the Court enters a Final Order, any acquisition or disposition of Advanta Stock or Claims as of the Commencement Date in violation of the procedures set forth above shall be null and void *ab initio* as an act in violation of the automatic stay prescribed by section 362 of the Bankruptcy Code and pursuant to this Court’s equitable power prescribed in section 105(a) of the Bankruptcy Code.

28. The Interim Procedures Notice will provide that the deadline to file an objection (“**Objection**”) to the Motion with respect to the approval of the Final Order shall be 5:00 p.m. (prevailing Eastern Time) seven (7) business days prior to the date of the hearing to consider, on a final basis, the relief requested in the Motion (the “**Objection Deadline**”). An Objection shall be considered timely if it is (i) filed with the United States Bankruptcy Court for the District of Delaware, Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 10801 and (ii) actually received by (a) the Debtors, Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844 (Attn: Phil Browne and Jay

Dubow), (b) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Marcia L. Goldstein, Esq. and Robert J. Lemons, Esq.), (c) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins, Esq.), (d) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: David M. Klauder, Esq.), and (e) counsel to any Creditors' Committee appointed in these.

29. Unless otherwise ordered by the Court, a reply to an Objection may be filed with the Court and served on or before 12:00 noon (prevailing Eastern Time) no later than two (2) business days before the date of the hearing to consider the Final Order.

30. If no Objections are timely filed and served, as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court the proposed Final Order, which Final Order shall be submitted and may be entered with no further notice or opportunity to be heard afforded to any party. If an Objection is timely filed, a hearing will be held at the U.S. Bankruptcy Court for the District of Delaware 824 North Market Street, Wilmington, Delaware 19801 at least twenty (20) days after service of the Interim Procedures Notice.

31. Following the entry of the Final Order, the Final Procedures Notice describing the authorized trading restrictions and notification requirements would be sent to the Notice Parties, *provided* that the Final Procedures Notice shall be sent to the parties described in clause (vi) of the definition of Notice Parties at the end of the month in which the applicable notice of transfer is filed. Upon receipt of the Final Procedures Notice, any transfer agents or indenture trustees shall send the Final Procedures Notice to all holders of Advanta Stock or Claims registered with the transfer agent. Any registered holder shall, in turn, provide the Final Procedures Notice to any holder for whose account the registered holder holds Advanta Stock or

Claims. Any holder shall, in turn, provide the Final Procedures Notice to any person or Entity for whom the holder holds Advanta Stock or Claims. The Final Procedures Notice would be published in the national edition of *The Wall Street Journal*, and on the website of the Debtors' claims agent, Garden City Group, Inc., at [www.gardencitygroup.com](http://www.gardencitygroup.com).

32. The Debtors submit that the foregoing constitutes a sufficient and cost-effective way of providing notice of the interim and final procedures described herein. The foregoing notice procedures satisfy due process and the strictures of Bankruptcy Rule 9014 by providing the counterparties with notice and an opportunity to object and be heard at a hearing. *See, e.g., Harada v. DBL Liquidating Trust (In re Drexel Burnham Lambert Group, Inc.)*, 160 B.R. 729, 733 (S.D.N.Y. 1993) (indicating that an opportunity to present objections satisfies due process); *see also Atamian v. U.S. Dep't of Educ. (In re Atamian)*, 368 B.R. 375, 378 (Bankr. D. Del. 2007), *aff'd*, No. 05-20040 (MFW), 2008 WL 853462 (D. Del. Mar. 31, 2008), *aff'd*, No. 08-2026, 2008 WL 5007392 (3d Cir. Nov. 26, 2008) ("Rule 9014 does not require a hearing, only an opportunity for a hearing."). Furthermore, the proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses. Similar notice and objection procedures were approved in the cases discussed above.

### **Jurisdiction**

33. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Notice**

34. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the


District of Delaware; (ii) the Debtors' 30 largest unsecured creditors (on a consolidated basis); and (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration) (collectively, the "*Notice Parties*"). As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013-1(m). Due to the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Previous Request**

35. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: November 8, 2009  
Wilmington, Delaware



Mark D. Collins (No. 2981)  
Paul N. Heath (No. 3704)  
Chun I. Jang (No. 4790)  
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- and -

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Robert J. Lemons  
767 Fifth Avenue  
New York, NY 10153  
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Facsimile: (212) 310-8007

PROPOSED ATTORNEYS FOR  
DEBTORS AND DEBTORS IN  
POSSESSION



**Exhibit A**

**Proposed Interim Order**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	X	
	:	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-_____ ( )
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
	X	

**INTERIM ORDER PURSUANT TO SECTIONS 105(a) AND 362 OF THE  
BANKRUPTCY CODE (i) ESTABLISHING NOTIFICATION PROCEDURES AND  
APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF INTERESTS  
IN THE DEBTORS' ESTATES, AND (ii) SCHEDULING A FINAL HEARING**

Upon the motion dated November 8, 2009 (the “*Motion*”)<sup>2</sup> of Advanta Corp. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “*Debtors*”), pursuant to sections 362 and 105(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), seeking entry of an interim order (the “*Interim Order*”) to (i) establish notification procedures and approve restrictions on certain transfers of interests in the Debtors’ estates, as more fully described in the Motion, and (ii) schedule a final hearing; and the Court having jurisdiction to consider to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having jurisdiction to consider the Motion

<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Motion.

and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor, it is

FOUND that the Debtors' net operating loss carryforwards ("*NOLs*") and certain other tax attributes (together with the NOLs, the "*Tax Attributes*") are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; and it is further

FOUND that unrestricted trading in Advanta Stock (as hereinafter defined) and Claims (as hereinafter defined) before the Debtors' emergence from chapter 11 could severely limit the Debtors' ability to use the Tax Attributes for purposes of the Internal Revenue Code of 1986, as amended (the "*Tax Code*"), as set forth in the Motion; and it is further

FOUND that the notification procedures and restrictions on certain transfers of Advanta Stock and Claims are necessary and proper to preserve the Tax Attributes and are therefore in the best interests of the Debtors, their estates, and their creditors; and it is further

FOUND that the relief requested in the Motion is authorized under sections 105(a) and 362 of the Bankruptcy Code.

THEREFORE, IT IS:

ORDERED that the Motion is granted as provided herein on an interim basis, *nunc pro tunc* to the date on which the Debtors commenced their chapter 11 cases; and it is further

ORDERED that until further order of this Court to the contrary, any acquisitions, dispositions, or trading in violation of the restrictions set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay prescribed in section 362 of the Bankruptcy Code and pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code; and it is further

ORDERED that the following procedures and restrictions shall apply to trading in Advanta Stock and Claims and are approved:

**(a) Advanta Stock Ownership, Acquisition, and Disposition.**

- (i) Notice of Substantial Stock Ownership. Any person or Entity (as such term is defined in section 1.382-3(a) of the U.S. Department of Treasury Regulations promulgated under the Tax Code ("**Treasury Regulations**"), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) that beneficially owns, at any time on or after the Commencement Date, Advanta Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for any statutory committee of unsecured creditors appointed in these cases (the "**Creditors' Committee**"), a Notice of Substantial Stock Ownership (a "**Substantial Ownership Notice**"), in the form annexed to the Motion as Exhibit E, which describes specifically and in detail the Advanta Stock ownership of such person or Entity, on or before the date that is the later of (a) ten (10) business days after the entry of this Interim Order, and (b) ten (10) business days after such person or Entity qualifies as a Substantial Equityholder. At the holder's election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns.

- (ii) Acquisition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer of equity securities (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Advanta Stock beneficially owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “**Proposed Equity Acquisition Transaction**”), such person, Entity or Substantial Equityholder (a “**Proposed Equity Transferee**”) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Advanta Stock (an “**Equity Acquisition Notice**”), in the form annexed to the Motion as Exhibit F which describes specifically and in detail the proposed transaction in which Advanta Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
- (iii) Disposition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer or other disposition of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Advanta Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “**Proposed Equity Disposition Transaction**,” and together with a Proposed Equity Acquisition Transaction, a “**Proposed Equity Transaction**”), such person, Entity, or Substantial Equityholder (a “**Proposed Equity Transferor**”) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Sell, Trade, or Otherwise Transfer Advanta Stock (an “**Equity Disposition Notice**,” and together with an Equity Acquisition Notice, an “**Equity Trading Notice**”), in the form annexed to the Motion as Exhibit G, which describes specifically and in detail the proposed transaction in which Advanta Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- (iv) Objection Procedures. The Debtors and the Creditors' Committee shall have fifteen (15) business days after the filing of an Equity Trading Notice (the "***Equity Objection Deadline***") to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of equity securities (including Options to acquire such securities) described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors' ability to utilize the Tax Attributes (an "***Equity Objection***") as a result of an ownership change under section 382 or section 383 of the Tax Code.
- (1) If the Debtors or the Creditors' Committee file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
- (2) If the Debtors and the Creditors' Committee do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors and the Creditors' Committee provide written authorization to the Proposed Equity Transferee or the Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction, prior to the Equity Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein with an additional twenty (20) business day waiting period.
- (v) Unauthorized Transactions in Advanta Stock or Options. Effective as of the Commencement Date and until further order of the Court to the contrary, any acquisition, disposition or other transfer of equity securities (including Options to acquire such securities) of the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.
- (vi) Definitions. For purposes of this Interim Order, the following terms have the following meanings:
- (1) Advanta Stock. "Advanta Stock" shall mean Advanta's Class A Preferred Stock, Class A Common Stock and Class B Common Stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Advanta Stock may be treated as the owner of such Advanta Stock.
- (2) Beneficial Ownership. "Beneficial ownership" (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock)

shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the “**IRS**”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.

- (3) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (4) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that beneficially owns at least:
  - a. 47 shares of Advanta’s Class A Preferred Stock (representing 4.75% of all shares of Advanta’s Class A Preferred Stock issued and outstanding);
  - b. 684,481 shares of Advanta’s Class A Common Stock (representing 4.75% of all shares of Advanta’s Class A Common Stock issued and outstanding); or
  - c. 1,413,432 shares of Advanta’s Class B Common Stock (representing 4.75% of all shares of Advanta’s Class B Common Stock issued and outstanding).

**(b) Trading in Claims.**

- (i) Notice of Substantial Claimholder Status; Notice of 382(l)(5) Plan.
  - (1) Any person or Entity (as such term is defined in Treasury Regulations section 1.382-3(a), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) who currently is or becomes a Substantial Claimholder (as defined in Paragraph (b)(vi)(12)) shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a notice of such status (a “**Notice of Substantial Claimholder Status**”), in the form annexed to the Motion as Exhibit H within ten (10) business days

of the later of (A) the entry of this Interim Order and (B) the date on which such person or Entity becomes a Substantial Claimholder. At the holder's election, the Notice of Substantial Claimholder Status that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the aggregate dollar amount of Claims that such holder beneficially owns.

- (2) Upon filing a plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (the "**382(l)(5) Plan**"), the Debtors shall (A) publish (or arrange for publication of) a notice and provide a written notice to the Notice Parties and Electing Claimholders (as hereinafter defined), disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as hereinafter defined) in connection therewith on the website [www.gardencitygroup.com](http://www.gardencitygroup.com) and in the national edition of *The Wall Street Journal* (a "**Notice of 382(l)(5) Plan**"), (B) identify the applicable Threshold Amount of Claims (as hereinafter defined, by class or other applicable breakdown) for status as a Substantial Claimholder and (C) request from each Electing Claimholder (including a Deemed Electing Claimholder) updated information regarding the aggregate amount of Claims beneficially owned by such Electing Claimholder, which updated information shall be delivered by such Electing Claimholder to the Debtors within ten (10) business days of receipt of the request therefor or, in the case of a Deemed Electing Claimholder, ten (10) business days of the date of the Notice of 382(l)(5) Plan.

For the avoidance of doubt, the Debtors shall have no obligation under the Order to provide notice to any Deemed Electing Claimholder (as defined in Paragraph (b)(iv)(1)) of the matters set forth in this Paragraph (b)(i)(2), and the lack of such notice shall not limit the obligation of a Deemed Electing Claimholder to comply with the requirements of a Sell-Down Notice or affect the application of the Equity Forfeiture Provision (as hereinafter defined) with respect to such Deemed Electing Claimholder.

- (3) The Debtors shall disclose the applicable Threshold Amounts in the Notice of 382(l)(5) Plan as of the date of the Notice of 382(l)(5) Plan based on then available information, including any change in the Threshold Amounts for the Retail Notes or other unsecured Claims (which for this purpose shall include the Trust Preferreds). The Debtors may adjust the Threshold Amounts based



on the updated information from Electing Claimholders pursuant to Paragraph (b)(i)(2). If the Threshold Amounts are adjusted, the Debtors shall provide a notice of such adjusted amount in the same manner as the Notice of 382(l)(5) Plan and such notice shall be treated as an amended Notice of 382(l)(5) Plan, thereby requesting updated information from each Electing Claimholder and Deemed Electing Claimholder.

(ii) Advance Approval of Acquisition Provisions.

- (1) Acquisition of Claims. Except as provided in Paragraph (b)(v) and the Electing Claimholder provisions in Paragraph (b)(iii), at least twenty (20) business days prior to the proposed date of any transfer of Claims that would result in (A) an increase in the dollar amount of Claims beneficially owned by a Substantial Claimholder or (B) any person or Entity becoming a Substantial Claimholder (a “***Proposed Claims Acquisition Transaction***”), such person, Entity, or Substantial Claimholder (a “***Proposed Claims Transferee***”) may file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim (a “***Claims Acquisition Request***”), in the form annexed to the Motion as Exhibit I which describes specifically and in detail the intended acquisition of Claims, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001. At the Proposed Claims Transferee’s election, the Claims Acquisition Request that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such transferee’s taxpayer identification number and the aggregate dollar amount of Claims that such transferee beneficially owns and proposes to purchase or otherwise acquire.
- (2) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and in consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Claims Acquisition Request. A Claims Acquisition Request that is not approved in writing by the Debtors within fifteen (15) business days after the filing of a Claims Acquisition Request shall be deemed rejected. In the event a Proposed Claims Transferee’s request is rejected prior to the date of a Notice of 382(l)(5) Plan, and the Proposed Claims Transferee still desires to pursue the Proposed Claims Acquisition Transaction, the Proposed Claims Transferee is subject to, and may avail itself of, the Electing Claimholders provisions in Paragraph (b)(iii) below.

(iii) Electing Claimholders.

- (1) Any person or Entity may trade freely and make a market in Claims without having to obtain advance approval as otherwise required under Paragraph (b)(ii) (the “***Advance Approval of Acquisition Provisions***”) if such person or Entity makes an election pursuant to this Paragraph (b)(iii). In order to make such election, a person or Entity shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, an election notice, in the form annexed to the Motion as Exhibit J (the “***Election Notice***”) within ten (10) business days after the later of (A) the date of the first purchase or acquisition of, or other increase in the beneficial ownership of, Claims by a Substantial Claimholder following the entry of this Interim Order and (B) the date of any purchase or acquisition of, or other increase in the beneficial ownership of, Claims that causes such person or Entity to become a Substantial Claimholder. Filing or service of such Election Notice shall constitute acceptance of the terms and conditions set forth in such notice and in this Paragraph (b)(iii) by a person or Entity who files or serves such Election Notice (an “***Electing Claimholder***”). An Electing Claimholder shall remain subject to the initial notice requirements of Paragraph (b)(i).
- (2) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), any Electing Claimholder that participates in formulating any chapter 11 plan of reorganization of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims (as hereinafter defined). For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general

membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- (3) Following the issuance of a Notice of 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the beneficial ownership of Claims by an Electing Claimholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Debtors may request, after notice to each Electing Claimholder and the Creditors' Committee and a hearing, that the Court enter an order approving the issuance of a notice (the "**Sell-Down Notice**") that such Electing Claimholder must sell, cause to sell or otherwise transfer all or a portion of its beneficial ownership of Claims (by class or other applicable breakdown) in excess of (A) the amount of Claims beneficially owned by such Electing Claimholder over (B) the Maximum Amount (as hereinafter defined) for such Electing Claimholder (such excess amount, an "**Excess Amount**"). If the Court approves the Debtors' issuance of a Sell-Down Notice, the Debtors may issue such notices to the relevant Electing Claimholders.

Prior to (A) the effective date of the 382(l)(5) Plan or (B) such earlier date specified by the Debtors but no earlier than the day after the entry of the order confirming the 382(l)(5) Plan (the "**Sell-Down Date**"), each Electing Claimholder shall sell, cause to sell or otherwise transfer an amount of the beneficial ownership of Claims (if any) necessary to comply with the Sell-Down Notice (the "**Sell-Down**"); *provided, however*, that notwithstanding anything to the contrary in the Order, no Claimholder shall be required to sell, cause to sell or otherwise transfer any beneficial ownership of Claims if such sale would result in such holder having beneficial ownership of an aggregate amount of Claims (by class or other applicable breakdown) that is less than such holder's Protected Amount (as hereinafter defined). Each Electing Claimholder shall sell, cause to sell or otherwise transfer its beneficial ownership of Claims subject to the Sell-Down to Permitted Transferees (as hereinafter defined); *provided however* that such Electing Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Claims.

An Electing Claimholder subject to the Sell-Down shall, within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable,

but before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Securities (as hereinafter defined), serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice substantially in the form annexed to the Motion as Exhibit K that such Electing Claimholder has complied with the terms and conditions set forth in this Paragraph (b)(iii)(3) and that such Electing Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the "**Notice of Compliance**"). Any Electing Claimholder who fails to comply with this provision shall not receive Affected Securities (as hereinafter defined) with respect to any Excess Amount of Claims.

- (4) Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Election Notices that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all Election Notices and any additional information provided by an Electing Claimholder pursuant to Paragraph (b)(iii)(3) strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity; *provided, however*, that the Debtors may disclose the identity of the Electing Claimholder to their counsel and professional financial advisors and/or the counsel and professional financial advisors of the Creditors' Committee and of any other person(s) that are subject to a nondisclosure agreement with the Debtors, each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity, including a member of any committee or the advisor's client, subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, such confidential information (determined by, among other things, whether such information was redacted in any public filing) shall be filed under seal.
- (5) Any proposed transfer or acquisition of Claims following the issuance of a Notice of 382(l)(5) Plan shall be subject to the Advance Approval of Acquisition Provisions provided under Paragraph (b)(ii).
- (6) Any Electing Claimholder that violates its obligations under an Election Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a

beneficial ownership of equity (including Options, as defined in Paragraph (a)(vi)(3)) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Claims for such Electing Claimholder, including any consideration in lieu thereof, *provided* that such Electing Claimholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Claims (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (A) any Forfeited Equity still held by such acquirer and (B) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(I)(5) Plan.

- (7) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson’s summary of the transaction).

(iv) Deemed Electing Claimholders; Sanctions.

- (1) Notwithstanding the foregoing, effective as of the Commencement Date and until further order of the Court to the contrary, any person or Entity that (A) is not a Substantial Claimholder and

purchases, acquires or otherwise increases the beneficial ownership of Claims that causes such person or Entity to become a Substantial Claimholder, or (B) is a Substantial Claimholder and purchases, acquires, or otherwise increases the beneficial ownership of Claims shall either comply with the Advance Approval of Acquisition Provisions pursuant to Paragraph (b)(ii) or, to the extent permitted in Paragraph (b)(iii), file an Election Notice and thereby become an Electing Claimholder, *provided* that any such person or Entity that neither satisfies the Advance Approval of Acquisition Provisions nor files a timely Election Notice shall be deemed to have filed an Election Notice on the Commencement Date and to have become an Electing Claimholder (a “***Deemed Electing Claimholder***”) for all purposes of the Order (other than the issuance of a direct notice to Electing Claimholders, whenever required). Deemed Electing Claimholders shall be subject to all the obligations of Electing Claimholders, including, without limitation, the requirement that Electing Claimholders sell, cause to sell or otherwise transfer all or a portion of the beneficial ownership of Claims pursuant to a Sell-Down Notice or be subject to the Equity Forfeiture Provision. Nothing in this Paragraph (b)(iv) shall be read to relieve a Deemed Electing Claimholder of its obligations to notify the Debtors of such holder’s status as a Substantial Claimholder. Except as otherwise provided herein, all references to an Electing Claimholder herein and in the Order shall include a Deemed Electing Claimholder.

- (2) Effective as of the Commencement Date, any purchase or acquisition of, or other increase in the beneficial ownership of, Claims in violation of the Order by a Substantial Claimholder shall be subject to such remedy as the Court may find to be appropriate upon motion by the Debtors, including, without limitation, ordering for such noncompliant Substantial Claimholder to divest itself promptly of any beneficial ownership of Claims purchased or otherwise acquired in violation of the Order and monetary damages for any costs incurred by the Debtors in connection with the enforcement of the Order. For the avoidance of doubt, any sanctions imposed by the Court on a noncompliant Substantial Claimholder pursuant to this Paragraph (b)(iv)(2) shall be in addition to the consequences of treating such noncompliant Substantial Claimholder as a Deemed Electing Claimholder for all purposes of the Order.

- (v) Exception. No person or Entity shall be subject to the Advance Approval of Acquisition Provisions of Paragraph (b)(ii) or the Electing Claimholders provisions of Paragraph (b)(iii) with respect to any transfer

described in Treasury Regulations section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii); *provided, further*, that any such transferee who becomes a Substantial Claimholder shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice of such status, in the form annexed to the Motion as Exhibit F within ten (10) business days of the later of (i) the day of the entry of this Interim Order by the Court and (ii) the date on which such person or Entity becomes a Substantial Claimholder.

- (vi) Definitions. For purposes of this Interim Order, the following terms have the following meanings:
- (1) Applicable Percentage. "Applicable Percentage" means, if only one class of Affected Securities is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Claims will receive a pro-rata distribution of the Affected Securities, 4.5% of the number of such shares that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of the common stock or any other equity securities of the reorganized Debtors (or any successor), including Options (the "*Affected Securities*"), is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders within a class of Claims may receive a disproportionate distribution of such securities relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other interests in each class of Affected Securities that would constitute the Applicable Percentage.
- (2) Beneficial Ownership. "Beneficial ownership" of a Claim shall mean:
- (x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (*e.g.*, a

holding company would be considered to beneficially own all Claims owned or acquired by its subsidiaries), and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order.

- (3) Claim. A "Claim" shall be (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of any Claims hereunder, any applicable intercreditor agreements, including subordination agreements, shall be given effect in accordance with their terms. Nothing contained in this Paragraph (b)(vi)(3) shall be deemed an admission of a party or be used by any party for any purpose other than compliance with the Order and shall not constitute an admission or evidence by any party with respect to Claims made or to be made against the Debtors.
- (4) Entity. "Entity" shall have the meaning set forth in Paragraph (b)(i)(1) above.
- (5) Maximum Amount. "Maximum Amount" means for each person or Entity and by class or other applicable breakdown of Claims, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Electing Claimholder.
- (6) Newly Traded Claims. "Newly Traded Claims" means Claims (i) with respect to which a person or Entity acquired beneficial ownership after the date that was 18 months before the Commencement Date; and (b) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same person or Entity has always had Beneficial Ownership.
- (7) Notice Parties. "Notice Parties" shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors' 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the



Creditors' Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.

- (8) Option. "Option" shall have the meaning given to such term under Treasury Regulations section 1.382-4(d)(9)(i), with respect to the acquisition of a Claim or any consideration (including equity) distributed in respect of any Claim pursuant to a plan of reorganization or applicable bankruptcy court order.
- (9) Permitted Transferee. A "Permitted Transferee" with respect to an Electing Claimholder is a person or Entity whose holding of a Claim would not result in such Electing Claimholder having beneficial ownership of such Claim.
- (10) Protected Amount. "Protected Amount" means the amount of Claims (by class or other applicable breakdown) of which a holder had beneficial ownership on the Commencement Date, increased by the amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date.
- (11) Retail Notes. The "Retail Notes" shall mean the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee.
- (12) Substantial Claimholder. A "Substantial Claimholder" is any person or Entity that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person or Entity through which such person or Entity beneficially owns Claims against the Debtors, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when testing for Substantial Claimholder status, treating Claims as if they were stock.

- (13) Threshold Amount. “Threshold Amount” means, initially, in the case of the Retail Notes, \$6,300,000, and in the case of other unsecured Claims (which for this purpose shall include the Trust Preferreds), \$4,200,000, which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order.
- (14) Trust Preferreds. The “Trust Preferreds” shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

**(c) *Noncompliance with the Trading Procedures.***

Any purchase, sale, or other transfer of Claims against, or equity securities in, the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee.

**(d) *Debtors’ Right to Waive.***

The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Interim Order;

and it is further;

ORDERED that any person or Entity acquiring and/or disposing Advanta Stock and/or Claims in violation of the restrictions set forth herein, or failing to comply with the “Notice of Substantial Stock Ownership,” “Notice of Intent to Purchase, Acquire or Otherwise Accumulate Advanta Stock,” “Notice of Intent to Sell, Trade or Otherwise Transfer Advanta Stock,” “Notice of Substantial Claimholder Status,” “Notice of Request to Purchase, Acquire or

Otherwise Accumulate a Claim,” “Election Notice” and “Notice of Compliance” requirements, as may be the case, shall be subject to such sanctions as the Court may consider appropriate pursuant to this Court’s equitable power prescribed in section 105(a) of the Bankruptcy Code; and it is further

ORDERED, that the notices substantially in the form annexed to the Motion as Exhibit C, Exhibit D, Exhibit E, Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, and Exhibit K are approved; and it is further

ORDERED that nothing in this Interim Order shall preclude any party in interest from seeking appropriate relief from the provisions of this Interim Order; and it is further

ORDERED that within three (3) business days of the entry of this Interim Order, the Debtors shall serve notice of the entry of this Interim Order substantially in the form annexed to the Motion as Exhibit C describing the authorized trading restrictions and notification requirements (the “*Interim Procedures Notice*”) and this Interim Order to (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors’ 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors’ Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock; and it is further

ORDERED that nothing herein shall preclude any person or Entity desirous of purchasing or transferring any interest from requesting relief from this Interim Order in this Court subject to the Debtors' rights to oppose such relief; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of the Motion; and it is further

ORDERED that the deadline to file an objection to the relief requested in the Motion ("**Objection**") shall be [time] (prevailing Eastern Time) on [ , 2009] (the "**Objection Deadline**"). An Objection shall be considered timely if it is (i) filed with the United States Bankruptcy Court for the District of Delaware, Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 10801 and (ii) actually received by (a) the Debtors, Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844 (Attn: Phil Browne and Jay Dubow), (b) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Marcia L. Goldstein, Esq. and Robert J. Lemons, Esq.), (c) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins, Esq.), (d) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: David M. Klauder, Esq.), and (e) counsel to any Creditors' Committee appointed in these cases; and it is further

ORDERED that if Objections are timely filed, a hearing will be held at the U.S. Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 10801 on [ , 2009] at [time], to consider, on a final basis, the relief requested in the Motion; and it is further

ORDERED that if no Objections are timely filed, served, and received in accordance with this Interim Order, the Debtors shall submit to the Court a final order granting the relief requested in the Motion; and it is further

ORDERED that the requirements set forth in this Interim Order are in addition to the requirements of Bankruptcy Rule 3001(e), applicable securities, corporate and other laws, and do not excuse compliance therewith; and it is further

ORDERED that the relief granted in this Interim Order is intended solely to permit the Debtors to protect, preserve and maximize the value of their Tax Attributes. Accordingly, to the extent that the Interim Order expressly conditions or restricts trading in interests in the Debtors, nothing in this Interim Order or in the Motion shall or shall be deemed to prejudice, impair or otherwise alter or affect rights of any holders of interests in the Debtors, including in connection with the treatment of any such interests under any plan of reorganization or any applicable bankruptcy court order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this order.

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit B**  
**Proposed Final Order**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

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	:	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-_____ ( )
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
	-----X	

**FINAL ORDER PURSUANT TO SECTIONS 105(a) AND 362 OF THE  
BANKRUPTCY CODE ESTABLISHING NOTIFICATION PROCEDURES AND  
APPROVING RESTRICTIONS ON CERTAIN  
TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES**

Upon the motion dated November 8, 2009 (the “*Motion*”)<sup>2</sup> of Advanta Corp. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “*Debtors*”), pursuant to sections 362 and 105(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), seeking entry of a final order (the “*Final Order*”) to (i) establish notification procedures and approve restrictions on certain transfers of interests in the Debtors’ estates, as more fully described in the Motion, and (ii) schedule a final hearing; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Motion.

core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor, it is

FOUND that the Debtors' net operating loss carryforwards ("**NOLs**") and certain other tax attributes (together with the NOLs, the "**Tax Attributes**") are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; and it is further

FOUND that unrestricted trading in Advanta Stock (as hereinafter defined) and Claims (as hereinafter defined) before the Debtors' emergence from chapter 11 could severely limit the Debtors' ability to use the Tax Attributes for purposes of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), as set forth in the Motion; and it is further

FOUND that the notification procedures and restrictions on certain transfers of Advanta Stock and Claims are necessary and proper to preserve the Tax Attributes and are therefore in the best interests of the Debtors, their estates, and their creditors; and it is further

FOUND that the relief requested in the Motion is authorized under sections 105(a) and 362 of the Bankruptcy Code; and it is further

FOUND that on [     ], 2009, the Court signed an Interim Order pursuant to sections 105(a) and 362 of the Bankruptcy Code (i) establishing notification procedures and



approving restrictions on certain transfers of interests in the Debtors' estates and (ii) scheduling a final hearing. This Final Order will supersede the Interim Order.

THEREFORE, IT IS:

ORDERED that the Motion is granted as provided herein on a final basis; and it is further

ORDERED that the provisions of this Final Order shall be effective, *nunc pro tunc*, to the date on which the Debtors commenced their chapter 11 cases; and it is further

ORDERED that all objections to the Motion not previously withdrawn are overruled; and it is further

ORDERED that any acquisition or disposition of Advanta Stock in violation of the restrictions set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay prescribed in section 362 of the Bankruptcy Code and pursuant to this Court's equitable power prescribed in section 105(a) of the Bankruptcy Code; and it is further

ORDERED that the following procedures and restrictions shall apply to trading in Advanta Stock and Claims and are approved:

**(a) *Advanta Stock Ownership, Acquisition, and Disposition.***

- (i) Notice of Substantial Stock Ownership. Any person or Entity (as such term is defined in section 1.382-3(a) of the U.S. Department of Treasury Regulations promulgated under the Tax Code ("***Treasury Regulations***"), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) that beneficially owns, at any time on or after the Commencement Date, Advanta Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for any statutory committee of unsecured creditors appointed in these cases (the "***Creditors' Committee***"), a Notice of Substantial Stock Ownership (a "***Substantial Ownership Notice***"), in the form annexed to the Motion as Exhibit E, which describes specifically and in detail the Advanta Stock

ownership of such person or Entity, on or before the date that is the later of (a) ten (10) business days after the entry of this Final Order, and (b) ten (10) business days after such person or Entity qualifies as a Substantial Equityholder. At the holder's election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns.

- (ii) Acquisition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer of equity securities (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Advanta Stock beneficially owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a "***Proposed Equity Acquisition Transaction***"), such person, Entity or Substantial Equityholder (a "***Proposed Equity Transferee***") shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors' Committee, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Advanta Stock (an "***Equity Acquisition Notice***"), in the form annexed to the Motion as Exhibit F which describes specifically and in detail the proposed transaction in which Advanta Stock is to be acquired. At the holder's election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.
- (iii) Disposition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer or other disposition of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Advanta Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a "***Proposed Equity Disposition Transaction***," and together with a Proposed Equity Acquisition Transaction, a "***Proposed Equity Transaction***"), such person, Entity, or Substantial Equityholder (a "***Proposed Equity Transferor***") shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors' Committee, a Notice of Intent to Sell, Trade, or Otherwise Transfer Advanta Stock (an "***Equity Disposition Notice***," and together with an Equity Acquisition Notice, an "***Equity***

**Trading Notice**”), in the form annexed to the Motion as Exhibit G, which describes specifically and in detail the proposed transaction in which Advanta Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to sell or otherwise transfer.

- (iv) Objection Procedures. The Debtors and the Creditors’ Committee shall have fifteen (15) business days after the filing of an Equity Trading Notice (the “**Equity Objection Deadline**”) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of equity securities (including Options to acquire such securities) described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an “**Equity Objection**”) as a result of an ownership change under section 382 or section 383 of the Tax Code.
  - (1) If the Debtors or the Creditors’ Committee file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
  - (2) If the Debtors and the Creditors’ Committee do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors and the Creditors’ Committee provide written authorization to the Proposed Equity Transferee or the Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction, prior to the Equity Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein with an additional twenty (20) business day waiting period.
- (v) Unauthorized Transactions in Advanta Stock or Options. Effective as of the Commencement Date and until further order of the Court to the contrary, any acquisition, disposition or other transfer of equity securities (including Options to acquire such securities) of the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.
- (vi) Definitions. For purposes of this Final Order, the following terms have the following meanings:

- (1) Advanta Stock. “Advanta Stock” shall mean Advanta’s Class A Preferred Stock, Class A Common Stock and Class B Common Stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Advanta Stock may be treated as the owner of such Advanta Stock.
- (2) Beneficial Ownership. “Beneficial ownership” (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the “**IRS**”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.
- (3) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (4) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that beneficially owns at least:
  - a. 47 shares of Advanta’s Class A Preferred Stock (representing 4.75% of all shares of Advanta’s Class A Preferred Stock issued and outstanding);
  - b. 684,481 shares of Advanta’s Class A Common Stock (representing 4.75% of all shares of Advanta’s Class A Common Stock issued and outstanding); or
  - c. 1,413,432 shares of Advanta’s Class B Common Stock (representing 4.75% of all shares of Advanta’s Class B Common Stock issued and outstanding).

**(b) *Trading in Claims.***

- (i) Notice of Substantial Claimholder Status; Notice of 382(l)(5) Plan.

- (1) Any person or Entity (as such term is defined in Treasury Regulations section 1.382-3(a), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) who currently is or becomes a Substantial Claimholder (as defined in Paragraph (b)(vi)(12)) shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice of such status (a "**Notice of Substantial Claimholder Status**"), in the form annexed to the Motion as Exhibit H within ten (10) business days of the later of (A) the entry of this Final Order and (B) the date on which such person or Entity becomes a Substantial Claimholder. At the holder's election, the Notice of Substantial Claimholder Status that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the aggregate dollar amount of Claims that such holder beneficially owns.
- (2) Upon filing a plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (the "**382(l)(5) Plan**"), the Debtors shall (A) publish (or arrange for publication of) a notice and provide a written notice to the Notice Parties and Electing Claimholders (as hereinafter defined), disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as hereinafter defined) in connection therewith on the website [www.gardencitygroup.com](http://www.gardencitygroup.com) and in the national edition of *The Wall Street Journal* (a "**Notice of 382(l)(5) Plan**"), (B) identify the applicable Threshold Amount of Claims (as hereinafter defined, by class or other applicable breakdown) for status as a Substantial Claimholder and (C) request from each Electing Claimholder (including a Deemed Electing Claimholder) updated information regarding the aggregate amount of Claims beneficially owned by such Electing Claimholder, which updated information shall be delivered by such Electing Claimholder to the Debtors within ten (10) business days of receipt of the request therefor or, in the case of a Deemed Electing Claimholder, ten (10) business days of the date of the Notice of 382(l)(5) Plan.

For the avoidance of doubt, the Debtors shall have no obligation under the Order to provide notice to any Deemed Electing Claimholder (as defined in Paragraph (b)(iv)(1)) of the matters set forth in this Paragraph (b)(i)(2), and the lack of such notice shall not limit the obligation of a Deemed Electing Claimholder to comply with the requirements of a Sell-Down Notice or affect the

application of the Equity Forfeiture Provision (as hereinafter defined) with respect to such Deemed Electing Claimholder.

- (3) The Debtors shall disclose the applicable Threshold Amounts in the Notice of 382(l)(5) Plan as of the date of the Notice of 382(l)(5) Plan based on then available information, including any change in the Threshold Amounts for the Retail Notes or other unsecured Claims (which for this purpose shall include the Trust Preferreds). The Debtors may adjust the Threshold Amounts based on the updated information from Electing Claimholders pursuant to Paragraph (b)(i)(2). If the Threshold Amounts are adjusted, the Debtors shall provide a notice of such adjusted amount in the same manner as the Notice of 382(l)(5) Plan and such notice shall be treated as an amended Notice of 382(l)(5) Plan, thereby requesting updated information from each Electing Claimholder and Deemed Electing Claimholder.

(ii) Advance Approval of Acquisition Provisions.

- (1) Acquisition of Claims. Except as provided in Paragraph (b)(v) and the Electing Claimholder provisions in Paragraph (b)(iii), at least twenty (20) business days prior to the proposed date of any transfer of Claims that would result in (A) an increase in the dollar amount of Claims beneficially owned by a Substantial Claimholder or (B) any person or Entity becoming a Substantial Claimholder (a “**Proposed Claims Acquisition Transaction**”), such person, Entity, or Substantial Claimholder (a “**Proposed Claims Transferee**”) may file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim (a “**Claims Acquisition Request**”), in the form annexed to the Motion as Exhibit I which describes specifically and in detail the intended acquisition of Claims, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001. At the Proposed Claims Transferee’s election, the Claims Acquisition Request that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such transferee’s taxpayer identification number and the aggregate dollar amount of Claims that such transferee beneficially owns and proposes to purchase or otherwise acquire.
- (2) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and in consultation with the attorneys for the Creditors’ Committee, whether or not to

approve a Claims Acquisition Request. A Claims Acquisition Request that is not approved in writing by the Debtors within fifteen (15) business days after the filing of a Claims Acquisition Request shall be deemed rejected. In the event a Proposed Claims Transferee's request is rejected prior to the date of a Notice of 382(l)(5) Plan, and the Proposed Claims Transferee still desires to pursue the Proposed Claims Acquisition Transaction, the Proposed Claims Transferee is subject to, and may avail itself of, the Electing Claimholders provisions in Paragraph (b)(iii) below.

(iii) Electing Claimholders.

- (1) Any person or Entity may trade freely and make a market in Claims without having to obtain advance approval as otherwise required under Paragraph (b)(ii) (the "***Advance Approval of Acquisition Provisions***") if such person or Entity makes an election pursuant to this Paragraph (b)(iii). In order to make such election, a person or Entity shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, an election notice, in the form annexed to the Motion as Exhibit J (the "***Election Notice***") within ten (10) business days after the later of (A) the date of the first purchase or acquisition of, or other increase in the beneficial ownership of, Claims by a Substantial Claimholder following the entry of this Final Order and (B) the date of any purchase or acquisition of, or other increase in the beneficial ownership of, Claims that causes such person or Entity to become a Substantial Claimholder. Filing or service of such Election Notice shall constitute acceptance of the terms and conditions set forth in such notice and in this Paragraph (b)(iii) by a person or Entity who files or serves such Election Notice (an "***Electing Claimholder***"). An Electing Claimholder shall remain subject to the initial notice requirements of Paragraph (b)(i).
- (2) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), any Electing Claimholder that participates in formulating any chapter 11 plan of reorganization of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims (as hereinafter defined). For this purpose, the Debtors acknowledge and agree that the following activities shall not

constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- (3) Following the issuance of a Notice of 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the beneficial ownership of Claims by an Electing Claimholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Debtors may request, after notice to each Electing Claimholder and the Creditors' Committee and a hearing, that the Court enter an order approving the issuance of a notice (the "***Sell-Down Notice***") that such Electing Claimholder must sell, cause to sell or otherwise transfer all or a portion of its beneficial ownership of Claims (by class or other applicable breakdown) in excess of (A) the amount of Claims beneficially owned by such Electing Claimholder over (B) the Maximum Amount (as hereinafter defined) for such Electing Claimholder (such excess amount, an "***Excess Amount***"). If the Court approves the Debtors' issuance of a Sell-Down Notice, the Debtors may issue such notices to the relevant Electing Claimholders.

Prior to (A) the effective date of the 382(l)(5) Plan or (B) such earlier date specified by the Debtors but no earlier than the day after the entry of the order confirming the 382(l)(5) Plan (the "***Sell-Down Date***"), each Electing Claimholder shall sell, cause to sell or otherwise transfer an amount of the beneficial ownership of Claims (if any) necessary to comply with the Sell-Down Notice (the "***Sell-Down***"); *provided, however*, that notwithstanding anything to the contrary in the Order, no Claimholder shall be required to sell, cause to sell or otherwise transfer any beneficial ownership of Claims if such sale would result in such holder having beneficial ownership of an aggregate amount of Claims (by class or other applicable breakdown) that is less than such holder's Protected Amount (as hereinafter defined). Each Electing Claimholder shall sell, cause to sell or otherwise transfer its beneficial ownership of



Claims subject to the Sell-Down to Permitted Transferees (as hereinafter defined); *provided however* that such Electing Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Claims.

An Electing Claimholder subject to the Sell-Down shall, within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Securities (as hereinafter defined), serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice substantially in the form annexed to the Motion as Exhibit K that such Electing Claimholder has complied with the terms and conditions set forth in this Paragraph (b)(iii)(3) and that such Electing Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the "**Notice of Compliance**"). Any Electing Claimholder who fails to comply with this provision shall not receive Affected Securities (as hereinafter defined) with respect to any Excess Amount of Claims.

- (4) Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Election Notices that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all Election Notices and any additional information provided by an Electing Claimholder pursuant to Paragraph (b)(iii)(3) strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity; *provided, however*, that the Debtors may disclose the identity of the Electing Claimholder to their counsel and professional financial advisors and/or the counsel and professional financial advisors of the Creditors' Committee and of any other person(s) that are subject to a nondisclosure agreement with the Debtors, each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity, including a member of any committee or the advisor's client, subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, such confidential information (determined by, among other

things, whether such information was redacted in any public filing) shall be filed under seal.

- (5) Any proposed transfer or acquisition of Claims following the issuance of a Notice of 382(l)(5) Plan shall be subject to the Advance Approval of Acquisition Provisions provided under Paragraph (b)(ii).
- (6) Any Electing Claimholder that violates its obligations under an Election Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (including Options, as defined in Paragraph (a)(vi)(3)) of the Debtors (or any successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Claims for such Electing Claimholder, including any consideration in lieu thereof, *provided* that such Electing Claimholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Claims (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (A) any Forfeited Equity still held by such acquirer and (B) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.
- (7) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is

direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson's summary of the transaction).

(iv) Deemed Electing Claimholders; Sanctions.

- (1) Notwithstanding the foregoing, effective as of the Commencement Date and until further order of the Court to the contrary, any person or Entity that (A) is not a Substantial Claimholder and purchases, acquires or otherwise increases the beneficial ownership of Claims that causes such person or Entity to become a Substantial Claimholder, or (B) is a Substantial Claimholder and purchases, acquires, or otherwise increases the beneficial ownership of Claims shall either comply with the Advance Approval of Acquisition Provisions pursuant to Paragraph (b)(ii) or, to the extent permitted in Paragraph (b)(iii), file an Election Notice and thereby become an Electing Claimholder, *provided* that any such person or Entity that neither satisfies the Advance Approval of Acquisition Provisions nor files a timely Election Notice shall be deemed to have filed an Election Notice on the Commencement Date and to have become an Electing Claimholder (a "***Deemed Electing Claimholder***") for all purposes of the Order (other than the issuance of a direct notice to Electing Claimholders, whenever required). Deemed Electing Claimholders shall be subject to all the obligations of Electing Claimholders, including, without limitation, the requirement that Electing Claimholders sell, cause to sell or otherwise transfer all or a portion of the beneficial ownership of Claims pursuant to a Sell-Down Notice or be subject to the Equity Forfeiture Provision. Nothing in this Paragraph (b)(iv) shall be read to relieve a Deemed Electing Claimholder of its obligations to notify the Debtors of such holder's status as a Substantial Claimholder. Except as otherwise provided herein, all references to an Electing Claimholder herein and in the Order shall include a Deemed Electing Claimholder.
- (2) Effective as of the Commencement Date, any purchase or acquisition of, or other increase in the beneficial ownership of, Claims in violation of the Order by a Substantial Claimholder shall be subject to such remedy as the Court may find to be appropriate upon motion by the Debtors, including, without limitation, ordering for such noncompliant Substantial Claimholder to divest itself promptly of any beneficial ownership of Claims purchased or otherwise acquired in violation of the Order and monetary damages for any costs incurred by the Debtors in connection with

the enforcement of the Order. For the avoidance of doubt, any sanctions imposed by the Court on a noncompliant Substantial Claimholder pursuant to this Paragraph (b)(iv)(2) shall be in addition to the consequences of treating such noncompliant Substantial Claimholder as a Deemed Electing Claimholder for all purposes of the Order.

- (v) Exception. No person or Entity shall be subject to the Advance Approval of Acquisition Provisions of Paragraph (b)(ii) or the Electing Claimholders provisions of Paragraph (b)(iii) with respect to any transfer described in Treasury Regulations section 1.382-9(d)(5)(ii), *provided* that such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii); *provided, further*, that any such transferee who becomes a Substantial Claimholder shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice of such status, in the form annexed to the Motion as Exhibit F within ten (10) business days of the later of (i) the day of the entry of this Final Order by the Court and (ii) the date on which such person or Entity becomes a Substantial Claimholder.
- (vi) Definitions. For purposes of this Final Order, the following terms have the following meanings:
  - (1) Applicable Percentage. "Applicable Percentage" means, if only one class of Affected Securities is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Claims will receive a pro-rata distribution of the Affected Securities, 4.5% of the number of such shares that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of the common stock or any other equity securities of the reorganized Debtors (or any successor), including Options (the "*Affected Securities*"), is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders within a class of Claims may receive a disproportionate distribution of such securities relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other interests in each class of Affected Securities that would constitute the Applicable Percentage.

- (2) Beneficial Ownership. “Beneficial ownership” of a Claim shall mean:

(x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all Claims owned or acquired by its subsidiaries), and (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order.

- (3) Claim. A “Claim” shall be (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of any Claims hereunder, any applicable intercreditor agreements, including subordination agreements, shall be given effect in accordance with their terms. Nothing contained in this Paragraph (b)(vi)(3) shall be deemed an admission of a party or be used by any party for any purpose other than compliance with the Order and shall not constitute an admission or evidence by any party with respect to Claims made or to be made against the Debtors.
- (4) Entity. “Entity” shall have the meaning set forth in Paragraph (b)(i)(1) above.
- (5) Maximum Amount. “Maximum Amount” means for each person or Entity and by class or other applicable breakdown of Claims, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Electing Claimholder.
- (6) Newly Traded Claims. “Newly Traded Claims” means Claims (i) with respect to which a person or Entity acquired beneficial ownership after the date that was 18 months before the

Commencement Date; and (b) that are not “ordinary course” claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same person or Entity has always had Beneficial Ownership.

- (7) Notice Parties. “Notice Parties” shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors’ 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors’ Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.
- (8) Option. “Option” shall have the meaning given to such term under Treasury Regulations section 1.382-4(d)(9)(i), with respect to the acquisition of a Claim or any consideration (including equity) distributed in respect of any Claim pursuant to a plan of reorganization or applicable bankruptcy court order.
- (9) Permitted Transferee. A “Permitted Transferee” with respect to an Electing Claimholder is a person or Entity whose holding of a Claim would not result in such Electing Claimholder having beneficial ownership of such Claim.
- (10) Protected Amount. “Protected Amount” means the amount of Claims (by class or other applicable breakdown) of which a holder had beneficial ownership on the Commencement Date, increased by the amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date.
- (11) Retail Notes. The “Retail Notes” shall mean the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York

Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee.

- (12) Substantial Claimholder. A “Substantial Claimholder” is any person or Entity that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person or Entity through which such person or Entity beneficially owns Claims against the Debtors, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when testing for Substantial Claimholder status, treating Claims as if they were stock.

- (13) Threshold Amount. “Threshold Amount” means, initially, in the case of the Retail Notes, \$6,300,000, and in the case of other unsecured Claims (which for this purpose shall include the Trust Preferreds), \$4,200,000, which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order.

- (14) Trust Preferreds. The “Trust Preferreds” shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

**(c) *Noncompliance with the Trading Procedures.***

Any purchase, sale, or other transfer of Claims against, or equity securities in, the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* and shall confer no rights on the transferee.

**(d) *Debtors’ Right to Waive.***

The Debtors may waive, in writing, any and all restrictions, stays, and notification procedures contained in this Final Order;

and it is further;

ORDERED that any person or Entity acquiring and/or disposing Advanta Stock and/or Claims in violation of the restrictions set forth herein, or failing to comply with the “Notice of Substantial Stock Ownership,” “Notice of Intent to Purchase, Acquire or Otherwise Accumulate Advanta Stock,” “Notice of Intent to Sell, Trade or Otherwise Transfer Advanta Stock,” “Notice of Substantial Claimholder Status,” “Notice of Request to Purchase, Acquire or Otherwise Accumulate a Claim,” “Election Notice” and “Notice of Compliance” requirements, as may be the case, shall be subject to such sanctions as the Court may consider appropriate pursuant to this Court’s equitable power prescribed in section 105(a) of the Bankruptcy Code; and it is further

ORDERED, that the notices substantially in the form annexed to the Motion as Exhibit C, Exhibit D, Exhibit E, Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, and Exhibit K are approved; and it is further

ORDERED that nothing in this Final Order shall preclude any party in interest from seeking appropriate relief from the provisions of this Final Order; and it is further

ORDERED that within three (3) business days of the entry of this Final Order, the Debtors shall serve notice of the entry of this Final Order substantially in the form annexed to the Motion as Exhibit D describing the authorized trading restrictions and notification requirements (the “Final Procedures Notice”) and this Final Order to (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors’ 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors’ Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of



transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock; and it is further

ORDERED that nothing herein shall preclude any person or Entity desirous of purchasing or transferring any interest from requesting relief from this Final Order in this Court subject to the Debtors' rights to oppose such relief; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of the Motion; and it is further

ORDERED that the requirements set forth in this Final Order are in addition to the requirements of Bankruptcy Rule 3001(e), applicable securities, corporate and other laws, and do not excuse compliance therewith; and it is further

ORDERED that the relief granted in this Final Order is intended solely to permit the Debtors to protect, preserve and maximize the value of their Tax Attributes. Accordingly, to the extent that the Final Order expressly conditions or restricts trading in interests in the Debtors, nothing in this Final Order or in the Motion shall or shall be deemed to prejudice, impair or otherwise alter or affect rights of any holders of interests in the Debtors, including in connection with the treatment of any such interests under any plan of reorganization or any applicable bankruptcy court order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this order.

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

## **Exhibit C**

### **Interim Procedures Notice**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

-----X		
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
-----X		

**NOTICE OF INTERIM ORDER ESTABLISHING NOTIFICATION  
PROCEDURES AND APPROVING RESTRICTIONS ON  
CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES**

TO ALL PERSONS OR ENTITIES WITH CLAIMS AGAINST OR EQUITY INTERESTS IN  
THE DEBTORS:<sup>2</sup>

PLEASE TAKE NOTICE that on November [8], 2009 (the “*Commencement Date*”), Advanta Corp. (“*Advanta*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”) commenced a case under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”). Section 362(a) of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors’ estates or of property from the Debtors’ estates or to exercise control over property of the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that on [ ], 2009, the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”), having jurisdiction over this chapter 11 case, upon motion of the Debtors (the “*Motion*”), entered a interim order (i) finding that the Debtors’ net operating loss carryforwards (“*NOLs*”) and certain other tax

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Motion.

attributes (together with the NOLs, the “*Tax Attributes*”) are property of the Debtors’ estates and are protected by section 362(a) of the Bankruptcy Code; (ii) finding that trading in Advanta Stock (as hereinafter defined) and Claims (as hereinafter defined) could severely limit the Debtors’ ability to use the Tax Attributes for purposes of the Internal Revenue Code of 1986, as amended (the “*Tax Code*”), and (iii) approving the procedures set forth below to preserve the Tax Attributes pursuant to sections 105(a) and 362(a) of the Bankruptcy Code *retroactively effective as of the Commencement Date* (the “*Interim Order*”). **ANY ACQUISITION IN VIOLATION OF THE RESTRICTIONS SET FORTH BELOW SHALL BE NULL AND VOID *AB INITIO* AS AN ACT IN VIOLATION OF THE AUTOMATIC STAY UNDER SECTIONS 105(A) AND 362 OF THE BANKRUPTCY CODE.**

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading in Advanta Stock:

- (i) Notice of Substantial Stock Ownership. Any person or Entity (as such term is defined in section 1.382-3(a) of the U.S. Department of Treasury Regulations promulgated under the Tax Code (“*Treasury Regulations*”), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) that beneficially owns, at any time on or after the Commencement Date, Advanta Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for any statutory committee of unsecured creditors appointed in these cases (the “*Creditors’ Committee*”), a Notice of Substantial Stock Ownership (a “*Substantial Ownership Notice*”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the Advanta Stock ownership of such person or Entity, on or before the date that is the later of (a) ten (10) business days after the entry of the Interim Order, and (b) ten (10) business days after such person or Entity qualifies as a Substantial Equityholder. At the holder’s election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns.
- (ii) Acquisition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer of equity securities (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Advanta Stock beneficially owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “*Proposed Equity Acquisition Transaction*”), such person, Entity or Substantial Equityholder (a

***“Proposed Equity Transferee”***) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Advanta Stock (an ***“Equity Acquisition Notice”***) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the proposed transaction in which Advanta Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.

- (iii) Disposition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer or other disposition of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Advanta Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a ***“Proposed Equity Disposition Transaction,”*** and together with a Proposed Equity Acquisition Transaction, a ***“Proposed Equity Transaction”***), such person, Entity, or Substantial Equityholder (a ***“Proposed Equity Transferor”***) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Sell, Trade, or Otherwise Transfer Advanta Stock (an ***“Equity Disposition Notice,”*** and together with an Equity Acquisition Notice, an ***“Equity Trading Notice”***) (visit [http:// www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the proposed transaction in which Advanta Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to sell or otherwise transfer.
- (iv) Objection Procedures. The Debtors and the Creditors’ Committee shall have fifteen (15) business days after the filing of an Equity Trading Notice (the ***“Equity Objection Deadline”***) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of equity securities (including Options to acquire such securities) described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an ***“Equity Objection”***) as a result of an ownership change under section 382 or section 383 of the Tax Code.

- (1) If the Debtors or the Creditors' Committee file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
  - (2) If the Debtors and the Creditors' Committee do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors and the Creditors' Committee provide written authorization to the Proposed Equity Transferee or the Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction, prior to the Equity Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein with an additional twenty (20) business day waiting period.
- (v) Unauthorized Transactions in Advanta Stock or Options. Effective as of the Commencement Date and until further order of the Court to the contrary, any acquisition, disposition or other transfer of equity securities (including Options to acquire such securities) of the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.
- (vi) Definitions. For purposes of the Interim Order, the following terms have the following meanings:
- (1) Advanta Stock. "Advanta Stock" shall mean Advanta's Class A Preferred Stock, Class A Common Stock and Class B Common Stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Advanta Stock may be treated as the owner of such Advanta Stock.
  - (2) Beneficial Ownership. "Beneficial ownership" (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the "*IRS*"), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury

Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.

- (3) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (4) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that beneficially owns at least:
  - a. 47 shares of Advanta’s Class A Preferred Stock (representing 4.75% of all shares of Advanta’s Class A Preferred Stock issued and outstanding);
  - b. 684,481 shares of Advanta’s Class A Common Stock (representing 4.75% of all shares of Advanta’s Class A Common Stock issued and outstanding); or
  - c. 1,413,432 shares of Advanta’s Class B Common Stock (representing 4.75% of all shares of Advanta’s Class B Common Stock issued and outstanding)

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading Claims:

- (vii) Notice of Substantial Claimholder Status; Notice of 382(l)(5) Plan.
  - (1) Any person or Entity (as such term is defined in Treasury Regulations section 1.382-3(a), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) who currently is or becomes a Substantial Claimholder (as defined in Paragraph (vi)(11) of this section) shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a notice of such status (a “**Notice of Substantial Claimholder Status**”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the beneficial ownership of all Claims (broken down by class, as applicable), within ten (10) business days of the later of (A) the entry of the Interim Order and (B) the date on which such person or Entity becomes a Substantial Claimholder. At the holder’s election, the Notice of Substantial Claimholder Status that is filed with the Court (but not such notice



served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the aggregate dollar amount of Claims that such holder beneficially owns.

- (2) Upon filing a plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (the "**382(l)(5) Plan**"), the Debtors shall (A) publish (or arrange for publication of) a notice and provide a written notice to the Notice Parties and Electing Claimholders (as hereinafter defined), disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as hereinafter defined) in connection therewith on the website [www.gardencitygroup.com](http://www.gardencitygroup.com) and in the national edition of *The Wall Street Journal* (a "**Notice of 382(l)(5) Plan**"), (B) identify the applicable Threshold Amount of Claims (as hereinafter defined, by class or other applicable breakdown) for status as a Substantial Claimholder and (C) request from each Electing Claimholder (including a Deemed Electing Claimholder) updated information regarding the aggregate amount of Claims beneficially owned by such Electing Claimholder, which updated information shall be delivered by such Electing Claimholder to the Debtors within ten (10) business days of receipt of the request therefor or, in the case of a Deemed Electing Claimholder, ten (10) business days of the date of the Notice of 382(l)(5) Plan.

For the avoidance of doubt, the Debtors shall have no obligation under the Order to provide notice to any Deemed Electing Claimholder (as defined in Paragraph (iv)(1) of this section) of the matters set forth in this Paragraph (i)(2) of this section, and the lack of such notice shall not limit the obligation of a Deemed Electing Claimholder to comply with the requirements of a Sell-Down Notice or affect the application of the Equity Forfeiture Provision (as hereinafter defined) with respect to such Deemed Electing Claimholder.

- (3) The Debtors shall disclose the applicable Threshold Amounts in the Notice of 382(l)(5) Plan as of the date of the Notice of 382(l)(5) Plan based on then available information, including any change in the Threshold Amounts for the Retail Notes or other unsecured Claims (which for this purpose shall include the Trust Preferreds). The Debtors may adjust the Threshold Amounts based on the updated information from Electing Claimholders pursuant to Paragraph (i)(2) of this section. If the Threshold Amounts are adjusted, the Debtors shall provide a notice of such adjusted

amount in the same manner as the Notice of 382(l)(5) Plan and such notice shall be treated as an amended Notice of 382(l)(5) Plan, thereby requesting updated information from each Electing Claimholder and Deemed Electing Claimholder.

(viii) Advance Approval of Acquisition Provisions.

- (1) Acquisition of Claims. Except as provided in Paragraph (v) of this section and the Electing Claimholder provisions in Paragraph (iii) of this section, at least twenty (20) business days prior to the proposed date of any transfer of Claims that would result in (A) an increase in the dollar amount of Claims beneficially owned by a Substantial Claimholder or (B) any person or Entity becoming a Substantial Claimholder (a “**Proposed Claims Acquisition Transaction**”), such person, Entity, or Substantial Claimholder (a “**Proposed Claims Transferee**”) may file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim (a “**Claims Acquisition Request**”), (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the intended acquisition of Claims, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001. At the Proposed Claims Transferee’s election, the Claims Acquisition Request that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such transferee’s taxpayer identification number and the aggregate dollar amount of Claims that such transferee beneficially owns and proposes to purchase or otherwise acquire.
- (2) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and in consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Claims Acquisition Request. A Claims Acquisition Request that is not approved in writing by the Debtors within fifteen (15) business days after the filing of a Claims Acquisition Request shall be deemed rejected. In the event a Proposed Claims Transferee’s request is rejected prior to the date of a Notice of 382(l)(5) Plan, and the Proposed Claims Transferee still desires to pursue the Proposed Claims Acquisition Transaction, the Proposed Claims Transferee is subject to, and may avail itself of, the Electing Claimholders provisions in Paragraph (iii) of this section.

(ix) Electing Claimholders.

- (1) Any person or Entity may trade freely and make a market in Claims without having to obtain advance approval as otherwise required under Paragraph (b)(ii) below (the “**Advance Approval of Acquisition Provisions**”) if such person or Entity makes an election pursuant to this Paragraph (iii). In order to make such election, a person or Entity shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, an election notice (the “**Election Notice**”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), within ten (10) business days after the later of (A) the date of the first purchase or acquisition of, or other increase in the beneficial ownership of, Claims by a Substantial Claimholder following the entry of the Interim Order and (B) the date of any purchase or acquisition of, or other increase in the beneficial ownership of, Claims that causes such person or Entity to become a Substantial Claimholder. Filing or service of such Election Notice shall constitute acceptance of the terms and conditions set forth in such notice and in this Paragraph (iii) by a person or Entity who files or serves such Election Notice (an “**Electing Claimholder**”). An Electing Claimholder shall remain subject to the initial notice requirements of Paragraph (i) above.
- (2) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), any Electing Claimholder that participates in formulating any chapter 11 plan of reorganization of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims (as hereinafter defined). For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- (3) Following the issuance of a Notice of 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the beneficial ownership of Claims by an Electing Claimholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Debtors may request, after notice to each Electing Claimholder and the Creditors' Committee and a hearing, that the Court enter an order approving the issuance of a notice (the "**Sell-Down Notice**") that such Electing Claimholder must sell, cause to sell or otherwise transfer all or a portion of its beneficial ownership of Claims (by class or other applicable breakdown) in excess of (A) the amount of Claims beneficially owned by such Electing Claimholder over (B) the Maximum Amount (as hereinafter defined) for such Electing Claimholder (such excess amount, an "**Excess Amount**"). If the Court approves the Debtors' issuance of a Sell-Down Notice, the Debtors may issue such notices to the relevant Electing Claimholders.

Prior to (A) the effective date of the 382(l)(5) Plan or (B) such earlier date specified by the Debtors but no earlier than the day after the entry of the order confirming the 382(l)(5) Plan (the "**Sell-Down Date**"), each Electing Claimholder shall sell, cause to sell or otherwise transfer an amount of the beneficial ownership of Claims (if any) necessary to comply with the Sell-Down Notice (the "**Sell-Down**"); *provided, however*, that notwithstanding anything to the contrary in the Order, no Claimholder shall be required to sell, cause to sell or otherwise transfer any beneficial ownership of Claims if such sale would result in such holder having beneficial ownership of an aggregate amount of Claims (by class or other applicable breakdown) that is less than such holder's Protected Amount (as hereinafter defined). Each Electing Claimholder shall sell, cause to sell or otherwise transfer its beneficial ownership of Claims subject to the Sell-Down to Permitted Transferees (as hereinafter defined); *provided however* that such Electing Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Claims.

An Electing Claimholder subject to the Sell-Down shall, within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Securities (as hereinafter defined),

serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee a notice that such Electing Claimholder has complied with the terms and conditions set forth in this Paragraph (iii)(3) of this section and that such Electing Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the "**Notice of Compliance**") (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)). Any Electing Claimholder who fails to comply with this provision shall not receive Affected Securities (as hereinafter defined) with respect to any Excess Amount of Claims.

- (4) Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Election Notices that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all Election Notices and any additional information provided by an Electing Claimholder pursuant to Paragraph (iii)(3) of this section strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity; *provided, however*, that the Debtors may disclose the identity of the Electing Claimholder to their counsel and professional financial advisors and/or the counsel and professional financial advisors of the Creditors' Committee and of any other person(s) that are subject to a nondisclosure agreement with the Debtors, each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity, including a member of any committee or the advisor's client, subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, such confidential information (determined by, among other things, whether such information was redacted in any public filing) shall be filed under seal.
- (5) Any proposed transfer or acquisition of Claims following the issuance of a Notice of 382(l)(5) Plan shall be subject to the Advance Approval of Acquisition Provisions provided under Paragraph (ii) of this section.
- (6) Any Electing Claimholder that violates its obligations under an Election Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (including Options, as defined in Paragraph (vi)(3) of the previous section) of the Debtors (or any

successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Claims for such Electing Claimholder, including any consideration in lieu thereof, *provided* that such Electing Claimholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Claims (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (A) any Forfeited Equity still held by such acquirer and (B) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.

- (7) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson’s summary of the transaction).

(x) Deemed Electing Claimholders; Sanctions.

- (1) Notwithstanding the foregoing, effective as of the Commencement Date and until further order of the Court to the contrary, any person or Entity that (A) is not a Substantial Claimholder and purchases, acquires or otherwise increases the beneficial ownership of Claims that causes such person or Entity to become a

Substantial Claimholder, or (B) is a Substantial Claimholder and purchases, acquires, or otherwise increases the beneficial ownership of Claims shall either comply with the Advance Approval of Acquisition Provisions pursuant to Paragraph (ii) of this section or, to the extent permitted in Paragraph (ii) of this section, file an Election Notice and thereby become an Electing Claimholder, *provided* that any such person or Entity that neither satisfies the Advance Approval of Acquisition Provisions nor files a timely Election Notice shall be deemed to have filed an Election Notice on the Commencement Date and to have become an Electing Claimholder (a “**Deemed Electing Claimholder**”) for all purposes of the Order (other than the issuance of a direct notice to Electing Claimholders, whenever required). Deemed Electing Claimholders shall be subject to all the obligations of Electing Claimholders, including, without limitation, the requirement that Electing Claimholders sell, cause to sell or otherwise transfer all or a portion of the beneficial ownership of Claims pursuant to a Sell-Down Notice or be subject to the Equity Forfeiture Provision. Nothing in this Paragraph (iv) shall be read to relieve a Deemed Electing Claimholder of its obligations to notify the Debtors of such holder’s status as a Substantial Claimholder. Except as otherwise provided herein, all references to an Electing Claimholder herein and in the Order shall include a Deemed Electing Claimholder.

- (2) Effective as of the Commencement Date, any purchase or acquisition of, or other increase in the beneficial ownership of, Claims in violation of the Order by a Substantial Claimholder shall be subject to such remedy as the Court may find to be appropriate upon motion by the Debtors, including, without limitation, ordering for such noncompliant Substantial Claimholder to divest itself promptly of any beneficial ownership of Claims purchased or otherwise acquired in violation of the Order and monetary damages for any costs incurred by the Debtors in connection with the enforcement of the Order. For the avoidance of doubt, any sanctions imposed by the Court on a noncompliant Substantial Claimholder pursuant to this Paragraph (iv)(2) shall be in addition to the consequences of treating such noncompliant Substantial Claimholder as a Deemed Electing Claimholder for all purposes of the Order.

- (xi) Exception. No person or Entity shall be subject to the Advance Approval of Acquisition Provisions of Paragraph (b)(ii) or the Electing Claimholders provisions of Paragraph (b)(iii) with respect to any transfer described in Treasury Regulations section 1.382-9(d)(5)(ii), *provided* that

such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii); *provided, further*, that any such transferee who becomes a Substantial Claimholder shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a Notice of Substantial Claimholder Status (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), within ten (10) business days of the later of (i) the day of the entry of the Interim Order by the Court and (ii) the date on which such person or Entity becomes a Substantial Claimholder.

- (xii) Definitions. For purposes of the Interim Order, the following terms have the following meanings:
- (1) Applicable Percentage. "Applicable Percentage" means, if only one class of Affected Securities is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Claims will receive a pro-rata distribution of the Affected Securities, 4.5% of the number of such shares that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of the common stock or any other equity securities of the reorganized Debtors (or any successor), including Options (the "*Affected Securities*"), is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders within a class of Claims may receive a disproportionate distribution of such securities relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other interests in each class of Affected Securities that would constitute the Applicable Percentage.
- (2) Beneficial Ownership. "Beneficial ownership" of a Claim shall mean:
- (x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (*e.g.*, a holding company would be considered to



beneficially own all Claims owned or acquired by its subsidiaries), and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order.

- (3) Claim. A "Claim" shall be (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of any Claims hereunder, any applicable intercreditor agreements, including subordination agreements, shall be given effect in accordance with their terms. Nothing contained in this Paragraph (vi)(3) shall be deemed an admission of a party or be used by any party for any purpose other than compliance with the Order and shall not constitute an admission or evidence by any party with respect to Claims made or to be made against the Debtors.
- (4) Entity. "Entity" shall have the meaning set forth in Paragraph (i)(1) of this section.
- (5) Maximum Amount. "Maximum Amount" means for each person or Entity and by class or other applicable breakdown of Claims, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Electing Claimholder.
- (6) Newly Traded Claims. "Newly Traded Claims" means Claims (i) with respect to which a person or Entity acquired beneficial ownership after the date that was 18 months before the Commencement Date; and (b) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same person or Entity has always had Beneficial Ownership.
- (7) Notice Parties. "Notice Parties" shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors' 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the

Creditors' Committee if, and once, appointed, (iii) Bank of New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.

- (8) Option. "Option" shall have the meaning given to such term under Treasury Regulations section 1.382-4(d)(9)(i), with respect to the acquisition of a Claim or any consideration (including equity) distributed in respect of any Claim pursuant to a plan of reorganization or applicable bankruptcy court order.
- (9) Permitted Transferee. A "Permitted Transferee" with respect to an Electing Claimholder is a person or Entity whose holding of a Claim would not result in such Electing Claimholder having beneficial ownership of such Claim.
- (10) Protected Amount. "Protected Amount" means the amount of Claims (by class or other applicable breakdown) of which a holder had beneficial ownership on the Commencement Date, increased by the amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date.
- (11) Retail Notes. The "Retail Notes" shall mean the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee.
- (12) Substantial Claimholder. A "Substantial Claimholder" is any person or Entity that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person or Entity through which such person or Entity beneficially owns Claims against the Debtors, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when testing for Substantial Claimholder status, treating Claims as if they were stock.

- (13) Threshold Amount. “Threshold Amount” means, initially, in the case of the Retail Notes, \$6,300,000, and in the case of other unsecured Claims (which for this purpose shall include the Trust Preferreds), \$4,200,000, which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order.
- (14) Trust Preferreds. The “Trust Preferreds” shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.**

**ANY PROHIBITED ACQUISITION OR OTHER TRANSFER OF ADVANTA STOCK OR CLAIMS AGAINST THE DEBTORS IN VIOLATION OF THE INTERIM ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES, OR SANCTIONS BEING IMPOSED BY THE BANKRUPTCY COURT.**

**THE DEBTORS MAY WAIVE, IN WRITING, ANY AND ALL RESTRICTIONS, STAYS, AND NOTIFICATION PROCEDURES CONTAINED IN THE INTERIM ORDER.**

PLEASE TAKE NOTICE that any person or entity that opposes the requirements set forth in the Interim Order may request relief for cause at any time and the Debtors may oppose such relief.

PLEASE TAKE FURTHER NOTICE that if objections are timely filed, a hearing will be held at the U.S. Bankruptcy Court for the District of Delaware 824 North Market Street, Wilmington, Delaware 19801 at least twenty (20) days after service of the Interim Procedures Notice.

PLEASE TAKE FURTHER NOTICE that the deadline to file an objection (“Objection”) to the Motion with respect to the approval of the Final Order shall be 5:00 p.m. (prevailing Eastern Time) seven (7) business days prior to the date of the hearing to consider, on a final basis, the relief requested in the Motion (the “***Objection Deadline***”). An Objection shall be considered timely if it is (i) filed with the United States Bankruptcy Court for the District of Delaware, Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 10801 and (ii) actually received by (a) the Debtors, Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844 (Attn: Phil Browne and Jay Dubow) (b) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Marcia L. Goldstein, Esq. and Robert J. Lemons, Esq.), (c) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Chun Jang, Esq.), (d) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: David M. Klauder, Esq.), and (e) counsel to any Creditors’ Committee appointed in these cases.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws, and do not excuse non-compliance therewith.

BY ORDER OF THE COURT

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

**Exhibit D**  
**Final Procedures Notice**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

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<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
-----X		

**NOTICE OF FINAL ORDER ESTABLISHING NOTIFICATION  
PROCEDURES AND APPROVING RESTRICTIONS ON  
CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES**

TO ALL PERSONS OR ENTITIES WITH CLAIMS AGAINST OR EQUITY INTERESTS IN  
THE DEBTORS:<sup>2</sup>

PLEASE TAKE NOTICE that on November 8, 2009 (the “**Commencement Date**”), Advanta Corp. (“**Advanta**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) commenced a case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). Section 362(a) of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors’ estates or of property from the Debtors’ estates or to exercise control over property of the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that on [ ], 2009, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), having jurisdiction over this chapter 11 case, upon motion of the Debtors (the “**Motion**”), entered a Final Order (i) finding that the Debtors’ net operating loss carryforwards (“**NOLs**”) and certain other tax

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Motion.

attributes (together with the NOLs, the “*Tax Attributes*”) are property of the Debtors’ estates and are protected by section 362(a) of the Bankruptcy Code; (ii) finding that trading in Advanta Stock (as hereinafter defined) and Claims (as hereinafter defined) could severely limit the Debtors’ ability to use the Tax Attributes for purposes of the Internal Revenue Code of 1986, as amended (the “*Tax Code*”), and (iii) approving the procedures set forth below to preserve the Tax Attributes pursuant to sections 105(a) and 362(a) of the Bankruptcy Code *retroactively effective as of the Commencement Date* (the “*Final Order*”). **ANY ACQUISITION IN VIOLATION OF THE RESTRICTIONS SET FORTH BELOW SHALL BE NULL AND VOID AB INITIO AS AN ACT IN VIOLATION OF THE AUTOMATIC STAY UNDER SECTIONS 105(A) AND 362 OF THE BANKRUPTCY CODE.**

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading in Advanta Stock:

- (i) Notice of Substantial Stock Ownership. Any person or Entity (as such term is defined in section 1.382-3(a) of the U.S. Department of Treasury Regulations promulgated under the Tax Code (“*Treasury Regulations*”), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) that beneficially owns, at any time on or after the Commencement Date, Advanta Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder (as hereinafter defined) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for any statutory committee of unsecured creditors appointed in these cases (the “*Creditors’ Committee*”), a Notice of Substantial Stock Ownership (a “*Substantial Ownership Notice*”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the Advanta Stock ownership of such person or Entity, on or before the date that is the later of (a) ten (10) business days after the entry of the Final Order, and (b) ten (10) business days after such person or Entity qualifies as a Substantial Equityholder. At the holder’s election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns.
- (ii) Acquisition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer of equity securities (including Options, as hereinafter defined, to acquire such securities) that would result in an increase in the amount of Advanta Stock beneficially owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “*Proposed Equity Acquisition Transaction*”), such person, Entity or Substantial Equityholder (a

***“Proposed Equity Transferee”***) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Advanta Stock (an ***“Equity Acquisition Notice”***) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the proposed transaction in which Advanta Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to purchase or otherwise acquire.

- (iii) Disposition of Advanta Stock or Options. At least twenty (20) business days prior to the proposed date of any transfer or other disposition of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Advanta Stock beneficially owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a ***“Proposed Equity Disposition Transaction,”*** and together with a Proposed Equity Acquisition Transaction, a ***“Proposed Equity Transaction”***), such person, Entity, or Substantial Equityholder (a ***“Proposed Equity Transferor”***) shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors, and the attorneys for the Creditors’ Committee, a Notice of Intent to Sell, Trade, or Otherwise Transfer Advanta Stock (an ***“Equity Disposition Notice,”*** and together with an Equity Acquisition Notice, an ***“Equity Trading Notice”***) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the proposed transaction in which Advanta Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Advanta Stock that such holder beneficially owns and proposes to sell or otherwise transfer.
- (iv) Objection Procedures. The Debtors and the Creditors’ Committee shall have fifteen (15) business days after the filing of an Equity Trading Notice (the ***“Equity Objection Deadline”***) to file with the Court and serve on a Proposed Equity Transferee or a Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of equity securities (including Options to acquire such securities) described in such Equity Trading Notice on the grounds that such transfer may adversely affect the Debtors’ ability to utilize the Tax Attributes (an ***“Equity Objection”***) as a result of an ownership change under section 382 or section 383 of the Tax Code.



- (1) If the Debtors or the Creditors' Committee file an Equity Objection by the Equity Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and nonappealable order of this Court.
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- (2) If the Debtors and the Creditors' Committee do not file an Equity Objection by the Equity Objection Deadline, or if the Debtors and the Creditors' Committee provide written authorization to the Proposed Equity Transferee or the Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction, prior to the Equity Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein with an additional twenty (20) business day waiting period.
- (v) Unauthorized Transactions in Advanta Stock or Options. Effective as of the Commencement Date and until further order of the Court to the contrary, any acquisition, disposition or other transfer of equity securities (including Options to acquire such securities) of the Debtors in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.
  - (vi) Definitions. For purposes of the Final Order, the following terms have the following meanings:
    - (1) Advanta Stock. "Advanta Stock" shall mean Advanta's Class A Preferred Stock, Class A Common Stock and Class B Common Stock. For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option to acquire Advanta Stock may be treated as the owner of such Advanta Stock.
    - (2) Beneficial Ownership. "Beneficial ownership" (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the "*IRS*"), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury

Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.

- (3) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (4) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that beneficially owns at least:
  - a. 47 shares of Advanta’s Class A Preferred Stock (representing 4.75% of all shares of Advanta’s Class A Preferred Stock issued and outstanding);
  - b. 684,481 shares of Advanta’s Class A Common Stock (representing 4.75% of all shares of Advanta’s Class A Common Stock issued and outstanding); or
  - c. 1,413,432 shares of Advanta’s Class B Common Stock (representing 4.75% of all shares of Advanta’s Class B Common Stock issued and outstanding).

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Bankruptcy Court and shall apply to holding and trading Claims:

- (i) Notice of Substantial Claimholder Status; Notice of 382(l)(5) Plan.
  - (1) Any person or Entity (as such term is defined in Treasury Regulations section 1.382-3(a), including persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition) who currently is or becomes a Substantial Claimholder (as defined in Paragraph (vi)(11) of this section) shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a notice of such status (a “**Notice of Substantial Claimholder Status**”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the beneficial ownership of all Claims (broken down by class, as applicable) within ten (10) business days of the later of (A) the entry of the Final Order and (B) the date on which such person or Entity becomes a Substantial Claimholder. At the holder’s election, the Notice of Substantial Claimholder Status that is filed with the Court (but not such notice served upon

the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee) may be redacted to exclude such holder's taxpayer identification number and the aggregate dollar amount of Claims that such holder beneficially owns.

- (2) Upon filing a plan and disclosure statement that contemplates the potential utilization of section 382(l)(5) of the Tax Code (the "**382(l)(5) Plan**"), the Debtors shall (A) publish (or arrange for publication of) a notice and provide a written notice to the Notice Parties and Electing Claimholders (as hereinafter defined), disclosing the filing of such 382(l)(5) Plan and the potential issuance of a Sell-Down Notice (as hereinafter defined) in connection therewith on the website [www.gardencitygroup.com](http://www.gardencitygroup.com) and in the national edition of *The Wall Street Journal* (a "**Notice of 382(l)(5) Plan**"), (B) identify the applicable Threshold Amount of Claims (as hereinafter defined, by class or other applicable breakdown) for status as a Substantial Claimholder and (C) request from each Electing Claimholder (including a Deemed Electing Claimholder) updated information regarding the aggregate amount of Claims beneficially owned by such Electing Claimholder, which updated information shall be delivered by such Electing Claimholder to the Debtors within ten (10) business days of receipt of the request therefor or, in the case of a Deemed Electing Claimholder, ten (10) business days of the date of the Notice of 382(l)(5) Plan.

For the avoidance of doubt, the Debtors shall have no obligation under the Order to provide notice to any Deemed Electing Claimholder (as defined in Paragraph (iv)(1) of this section) of the matters set forth in this Paragraph (i)(2) of this section, and the lack of such notice shall not limit the obligation of a Deemed Electing Claimholder to comply with the requirements of a Sell-Down Notice or affect the application of the Equity Forfeiture Provision (as hereinafter defined) with respect to such Deemed Electing Claimholder.

- (3) The Debtors shall disclose the applicable Threshold Amounts in the Notice of 382(l)(5) Plan as of the date of the Notice of 382(l)(5) Plan based on then available information, including any change in the Threshold Amounts for the Retail Notes or other unsecured Claims (which for this purpose shall include the Trust Preferreds). The Debtors may adjust the Threshold Amounts based on the updated information from Electing Claimholders pursuant to Paragraph (i)(2) of this section. If the Threshold Amounts are adjusted, the Debtors shall provide a notice of such adjusted amount in the same manner as the Notice of 382(l)(5) Plan and

such notice shall be treated as an amended Notice of 382(l)(5) Plan, thereby requesting updated information from each Electing Claimholder and Deemed Electing Claimholder.

(ii) Advance Approval of Acquisition Provisions.

- (1) Acquisition of Claims. Except as provided in Paragraph (v) of this section and the Electing Claimholder provisions in Paragraph (iii) of this section, at least twenty (20) business days prior to the proposed date of any transfer of Claims that would result in (A) an increase in the dollar amount of Claims beneficially owned by a Substantial Claimholder or (B) any person or Entity becoming a Substantial Claimholder (a “***Proposed Claims Acquisition Transaction***”), such person, Entity, or Substantial Claimholder (a “***Proposed Claims Transferee***”) may file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, a Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim (a “***Claims Acquisition Request***”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), which describes specifically and in detail the intended acquisition of Claims, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements of Bankruptcy Rule 3001. At the Proposed Claims Transferee’s election, the Claims Acquisition Request that is filed with the Court (but not such notice served upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee) may be redacted to exclude such transferee’s taxpayer identification number and the aggregate dollar amount of Claims that such transferee beneficially owns and proposes to purchase or otherwise acquire.
- (2) Approval Procedures. The Debtors may determine, in furtherance of the purposes of the provisions herein and in consultation with the attorneys for the Creditors’ Committee, whether or not to approve a Claims Acquisition Request. A Claims Acquisition Request that is not approved in writing by the Debtors within fifteen (15) business days after the filing of a Claims Acquisition Request shall be deemed rejected. In the event a Proposed Claims Transferee’s request is rejected prior to the date of a Notice of 382(l)(5) Plan, and the Proposed Claims Transferee still desires to pursue the Proposed Claims Acquisition Transaction, the Proposed Claims Transferee is subject to, and may avail itself of, the Electing Claimholders provisions in Paragraph (iii) of this section.

(iii) Electing Claimholders.

- (1) Any person or Entity may trade freely and make a market in Claims without having to obtain advance approval as otherwise required under Paragraph (b)(ii) below (the “**Advance Approval of Acquisition Provisions**”) if such person or Entity makes an election pursuant to this Paragraph (iii). In order to make such election, a person or Entity shall file with the Court and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors’ Committee, an election notice, (the “**Election Notice**”) (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)), within ten (10) business days after the later of (A) the date of the first purchase or acquisition of, or other increase in the beneficial ownership of, Claims by a Substantial Claimholder following the entry of the Final Order and (B) the date of any purchase or acquisition of, or other increase in the beneficial ownership of, Claims that causes such person or Entity to become a Substantial Claimholder. Filing or service of such Election Notice shall constitute acceptance of the terms and conditions set forth in such notice and in this Paragraph (iii) by a person or Entity who files or serves such Election Notice (an “**Electing Claimholder**”). An Electing Claimholder shall remain subject to the initial notice requirements of Paragraph (i) above.
- (2) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), any Electing Claimholder that participates in formulating any chapter 11 plan of reorganization of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a plan), shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims (as hereinafter defined). For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

- (3) Following the issuance of a Notice of 382(l)(5) Plan, if the Debtors determine it to be reasonably necessary to require the sale or transfer of all or a portion of the beneficial ownership of Claims by an Electing Claimholder on the basis that such sale or transfer is appropriate to reasonably ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Debtors may request, after notice to each Electing Claimholder and the Creditors' Committee and a hearing, that the Court enter an order approving the issuance of a notice (the "**Sell-Down Notice**") that such Electing Claimholder must sell, cause to sell or otherwise transfer all or a portion of its beneficial ownership of Claims (by class or other applicable breakdown) in excess of (A) the amount of Claims beneficially owned by such Electing Claimholder over (B) the Maximum Amount (as hereinafter defined) for such Electing Claimholder (such excess amount, an "**Excess Amount**"). If the Court approves the Debtors' issuance of a Sell-Down Notice, the Debtors may issue such notices to the relevant Electing Claimholders.

Prior to (A) the effective date of the 382(l)(5) Plan or (B) such earlier date specified by the Debtors but no earlier than the day after the entry of the order confirming the 382(l)(5) Plan (the "**Sell-Down Date**"), each Electing Claimholder shall sell, cause to sell or otherwise transfer an amount of the beneficial ownership of Claims (if any) necessary to comply with the Sell-Down Notice (the "**Sell-Down**"); *provided, however*, that notwithstanding anything to the contrary in the Order, no Claimholder shall be required to sell, cause to sell or otherwise transfer any beneficial ownership of Claims if such sale would result in such holder having beneficial ownership of an aggregate amount of Claims (by class or other applicable breakdown) that is less than such holder's Protected Amount (as hereinafter defined). Each Electing Claimholder shall sell, cause to sell or otherwise transfer its beneficial ownership of Claims subject to the Sell-Down to Permitted Transferees (as hereinafter defined); *provided however* that such Electing Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee would own, immediately after the contemplated transfer, an Excess Amount of Claims.

An Electing Claimholder subject to the Sell-Down shall, within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date, and (iii) such other date specified in the Sell-Down Notice, as applicable, but before the effective date of the 382(l)(5) Plan, and as a condition to receiving Affected Securities (as hereinafter defined),

serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a notice that such Electing Claimholder has complied with the terms and conditions set forth in this Paragraph (iii)(3) of this section and that such Electing Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan (the "**Notice of Compliance**") (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)). Any Electing Claimholder who fails to comply with this provision shall not receive Affected Securities (as hereinafter defined) with respect to any Excess Amount of Claims.

- (4) Except to the extent necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, other than information contained in the Election Notices that is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all Election Notices and any additional information provided by an Electing Claimholder pursuant to Paragraph (iii)(3) of this section strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity; *provided, however*, that the Debtors may disclose the identity of the Electing Claimholder to their counsel and professional financial advisors and/or the counsel and professional financial advisors of the Creditors' Committee and of any other person(s) that are subject to a nondisclosure agreement with the Debtors, each of whom shall keep all such notices strictly confidential and shall not disclose the identity of the Electing Claimholder to any other person or Entity, including a member of any committee or the advisor's client, subject to further order of the Court; and *provided, further*, that to the extent the Debtors reasonably determine such confidential information is necessary to demonstrate to the Court the need for the issuance of a Sell-Down Notice, such confidential information (determined by, among other things, whether such information was redacted in any public filing) shall be filed under seal.
- (5) Any proposed transfer or acquisition of Claims following the issuance of a Notice of 382(l)(5) Plan shall be subject to the Advance Approval of Acquisition Provisions provided under Paragraph (ii) of this section.
- (6) Any Electing Claimholder that violates its obligations under an Election Notice shall, pursuant to the Order, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of equity (including Options, as defined in Paragraph (vi)(3) of the previous section) of the Debtors (or any

successor to the Debtors, including as determined for U.S. federal income tax purposes) that is attributable to the Excess Amount of Claims for such Electing Claimholder, including any consideration in lieu thereof, *provided* that such Electing Claimholder may be entitled to receive any other consideration to which such holder may be entitled by virtue of holding Claims (the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, equity of the Debtors (or any successor) that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity.**” Any acquirer of Forfeited Equity shall, immediately upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity shall have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors) (A) any Forfeited Equity still held by such acquirer and (B) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Court may determine. Any Forfeited Equity returned to the Debtors shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.

- (7) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such salesperson’s summary of the transaction).

(iv) Deemed Electing Claimholders; Sanctions.

- (1) Notwithstanding the foregoing, effective as of the Commencement Date and until further order of the Court to the contrary, any person or Entity that (A) is not a Substantial Claimholder and purchases, acquires or otherwise increases the beneficial ownership of Claims that causes such person or Entity to become a



Substantial Claimholder, or (B) is a Substantial Claimholder and purchases, acquires, or otherwise increases the beneficial ownership of Claims shall either comply with the Advance Approval of Acquisition Provisions pursuant to Paragraph (ii) of this section or, to the extent permitted in Paragraph (ii) of this section, file an Election Notice and thereby become an Electing Claimholder, *provided* that any such person or Entity that neither satisfies the Advance Approval of Acquisition Provisions nor files a timely Election Notice shall be deemed to have filed an Election Notice on the Commencement Date and to have become an Electing Claimholder (a “**Deemed Electing Claimholder**”) for all purposes of the Order (other than the issuance of a direct notice to Electing Claimholders, whenever required). Deemed Electing Claimholders shall be subject to all the obligations of Electing Claimholders, including, without limitation, the requirement that Electing Claimholders sell, cause to sell or otherwise transfer all or a portion of the beneficial ownership of Claims pursuant to a Sell-Down Notice or be subject to the Equity Forfeiture Provision. Nothing in this Paragraph (iv) shall be read to relieve a Deemed Electing Claimholder of its obligations to notify the Debtors of such holder’s status as a Substantial Claimholder. Except as otherwise provided herein, all references to an Electing Claimholder herein and in the Order shall include a Deemed Electing Claimholder.

- (2) Effective as of the Commencement Date, any purchase or acquisition of, or other increase in the beneficial ownership of, Claims in violation of the Order by a Substantial Claimholder shall be subject to such remedy as the Court may find to be appropriate upon motion by the Debtors, including, without limitation, ordering for such noncompliant Substantial Claimholder to divest itself promptly of any beneficial ownership of Claims purchased or otherwise acquired in violation of the Order and monetary damages for any costs incurred by the Debtors in connection with the enforcement of the Order. For the avoidance of doubt, any sanctions imposed by the Court on a noncompliant Substantial Claimholder pursuant to this Paragraph (iv)(2) shall be in addition to the consequences of treating such noncompliant Substantial Claimholder as a Deemed Electing Claimholder for all purposes of the Order.

- (v) Exception. No person or Entity shall be subject to the Advance Approval of Acquisition Provisions of Paragraph (b)(ii) or the Electing Claimholders provisions of Paragraph (b)(iii) with respect to any transfer described in Treasury Regulations section 1.382-9(d)(5)(ii), *provided* that

such transfer is not for a principal purpose of obtaining stock in the reorganized Debtors (or any successor) or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii); *provided, further*, that any such transferee who becomes a Substantial Claimholder shall file with the Court, and serve upon the Debtors, the attorneys for the Debtors and the attorneys for the Creditors' Committee, a Notice of Substantial Claimholder Status (visit [www.gardencitygroup.com](http://www.gardencitygroup.com)) within ten (10) business days of the later of (i) the day of the entry of the Final Order by the Court and (ii) the date on which such person or Entity becomes a Substantial Claimholder.

(vi) Definitions. For purposes of the Final Order, the following terms have the following meanings:

(1) Applicable Percentage. "Applicable Percentage" means, if only one class of Affected Securities is to be issued pursuant to the terms of the 382(l)(5) Plan and holders within any class of Claims will receive a pro-rata distribution of the Affected Securities, 4.5% of the number of such shares that the Debtors reasonably estimate will be issued at the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of the common stock or any other equity securities of the reorganized Debtors (or any successor), including Options (the "*Affected Securities*"), is to be distributed pursuant to the terms of the 382(l)(5) Plan or holders within a class of Claims may receive a disproportionate distribution of such securities relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement, and shall be expressed in a manner that makes clear the number of shares or other interests in each class of Affected Securities that would constitute the Applicable Percentage.

(2) Beneficial Ownership. "Beneficial ownership" of a Claim shall mean:

(x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all

Claims owned or acquired by its subsidiaries), and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims and/or stock; and

(y) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created or acquired).

For the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order.

- (3) Claim. A "Claim" shall be (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of any Claims hereunder, any applicable intercreditor agreements, including subordination agreements, shall be given effect in accordance with their terms. Nothing contained in this Paragraph (vi)(3) shall be deemed an admission of a party or be used by any party for any purpose other than compliance with the Order and shall not constitute an admission or evidence by any party with respect to Claims made or to be made against the Debtors.
- (4) Entity. "Entity" shall have the meaning set forth in Paragraph (i)(1) of this section.
- (5) Maximum Amount. "Maximum Amount" means for each person or Entity and by class or other applicable breakdown of Claims, the greater of (A) the applicable Threshold Amount and (B) the Protected Amount (if any) for such Electing Claimholder.
- (6) Newly Traded Claims. "Newly Traded Claims" means Claims (i) with respect to which a person or Entity acquired beneficial ownership after the date that was 18 months before the Commencement Date; and (b) that are not "ordinary course" claims, within the meaning of Treasury Regulations section 1.382-9(d)(2)(iv), of which the same person or Entity has always had Beneficial Ownership.
- (7) Notice Parties. "Notice Parties" shall mean (i) the Office of the United States Trustee for the District of Delaware, (ii) the Debtors' 30 largest known unsecured creditors (on a consolidated basis) or, alternatively, any attorneys for the Creditors' Committee if, and once, appointed, (iii) Bank of

New York Mellon as trustee under the Investment Note Indenture and 8.99% Indenture (both as defined in the Rosoff Declaration), (iv) parties who filed notices of transfers of Claims under Bankruptcy Rule 3001(e)(i), (v) any person or Entity who has filed a Schedule 13D or Schedule 13G with the SEC since January 1, 2008 with regard to the beneficial ownership of Advanta Stock, and (vi) any transfer agent(s) for Advanta Stock.

- (8) Option. “Option” shall have the meaning given to such term under Treasury Regulations section 1.382-4(d)(9)(i), with respect to the acquisition of a Claim or any consideration (including equity) distributed in respect of any Claim pursuant to a plan of reorganization or applicable bankruptcy court order.
- (9) Permitted Transferee. A “Permitted Transferee” with respect to an Electing Claimholder is a person or Entity whose holding of a Claim would not result in such Electing Claimholder having beneficial ownership of such Claim.
- (10) Protected Amount. “Protected Amount” means the amount of Claims (by class or other applicable breakdown) of which a holder had beneficial ownership on the Commencement Date, increased by the amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership pursuant to trades entered into before the Commencement Date that had not yet closed as of the Commencement Date.
- (11) Retail Notes. The “Retail Notes” shall mean the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee.
- (12) Substantial Claimholder. A “Substantial Claimholder” is any person or Entity that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person or Entity through which such person or Entity beneficially owns Claims against the Debtors, of more than the Threshold Amount.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when testing for Substantial Claimholder status, treating Claims as if they were stock.

- (13) Threshold Amount. “Threshold Amount” means, initially, in the case of the Retail Notes, \$6,300,000, and in the case of other unsecured Claims (which for this purpose shall include the Trust Preferreds), \$4,200,000, which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order.
- (14) Trust Preferreds. The “Trust Preferreds” shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.**

**ANY PROHIBITED ACQUISITION OR OTHER TRANSFER OF ADVANTA STOCK OR CLAIMS AGAINST THE DEBTORS IN VIOLATION OF THE FINAL ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES, OR SANCTIONS BEING IMPOSED BY THE BANKRUPTCY COURT.**

**THE DEBTORS MAY WAIVE, IN WRITING, ANY AND ALL RESTRICTIONS, STAYS, AND NOTIFICATION PROCEDURES CONTAINED IN THE FINAL ORDER.**

PLEASE TAKE NOTICE that any person or entity that opposes the requirements set forth in the Final Order may request relief for cause at any time and the Debtors may oppose such relief.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws, and do not excuse non-compliance therewith.

BY ORDER OF THE COURT

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

**Exhibit E**

**Notice of Substantial Stock Ownership**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	-X	
<i>In re</i>	:	Chapter 11
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	-X	

**NOTICE OF SUBSTANTIAL STOCK OWNERSHIP**

PLEASE TAKE NOTICE that [Name of Filer] (the “**Filer**”) hereby provides notice (the “**Notice**”), that, as of the date hereof, the Filer beneficially owns:

(i) \_\_\_\_\_ shares of Advanta Corp. (“**Advanta**”) Class A Preferred Stock (the “**Class A Preferred**”) and/or Options to acquire \_\_\_\_\_ shares of Class A Preferred,

(ii) \_\_\_\_\_ shares of Advanta Class A Common Stock (the “**Class A Common**”) and/or Options to acquire \_\_\_\_\_ shares of Class A Common,

(iii) \_\_\_\_\_ shares of Advanta Class B Common Stock (the “**Class B Common**”) and/or Options to acquire \_\_\_\_\_ shares of Class B Common,

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.



1. In the case of shares of Class A Preferred, Class A Common and Class B Common (collectively, “*Advanta Stock*”) and/or Options to acquire Advanta Stock that are owned directly by the Filer, the table sets forth (i) the number of such shares and/or Options, and (ii) the date(s) on which such shares and/or Options were acquired (broken out by class, as applicable).

2. In the case of shares of Advanta Stock and/or Options to acquire Advanta Stock that are not owned directly by the Filer but are nonetheless beneficially owned by the Filer, the table sets forth (i) the name(s) of each record or legal owner of such shares and/or Options beneficially owned by the Filer, (ii) the number of such shares and/or Options, and (iii) the date(s) on which such shares and/or Options were acquired (broken out by class, as applicable).

<i>Class</i>	<i>Name of Owner</i>	<i>Number of Shares of Advanta Stock Owned</i>	<i>Number of Shares of Advanta Stock subject to Options Owned</i>	<i>Date(s) Acquired</i>
Class A Preferred				
Class A Common				
Class B Common				

(Attach additional pages if necessary)

For purposes of this Notice:

(i) “Beneficial ownership” (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the “*IRS*”), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock.

(ii) “Option” means any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

[IF APPLICABLE] the Filer is represented by [name of the law firm], [address],  
[phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
[Name of Filer]

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Address:\_\_\_\_\_

\_\_\_\_\_

Telephone:\_\_\_\_\_

Facsimile:\_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit F**

**Notice of Intent to Purchase, Acquire or Otherwise Accumulate Advanta Stock**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	-X	
<i>In re</i>	:	Chapter 11
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	-X	

**NOTICE OF INTENT TO PURCHASE, ACQUIRE  
OR OTHERWISE ACCUMULATE ADVANTA STOCK**

PLEASE TAKE NOTICE that [Name of Filer] (the “**Filer**”) hereby provides notice (the “**Notice**”) of (i) its intention to purchase, acquire or otherwise accumulate directly one or more shares of Advanta Corp. (“**Advanta**”) Class A Preferred Stock (the “**Class A Preferred**”), Advanta Class A Common Stock (the “**Class A Common**”), Advanta Class B Common Stock (the “**Class B Common**,” and together with the Class A Preferred and the Class A Common, “**Advanta Stock**”) and/or Options (as defined below) to acquire shares of Advanta Stock and/or (ii) a proposed purchase or acquisition of shares of Advanta Stock and/or Options to acquire Advanta Stock that would result in an increase in the number of shares of Advanta Stock or Options to acquire Advanta Stock that are beneficially owned (as defined below) by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Transfer involves the purchase or acquisition directly by the Filer of shares of Advanta Stock and/or Options to acquire Advanta Stock, the table sets forth (i) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock proposed to be

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

purchased or acquired, and (ii) the date(s) of such Proposed Transfer (broken out by class, as applicable).

2. If the Proposed Transfer involves the purchase or acquisition of shares of Advanta Stock and/or Options to acquire Advanta Stock by a person or Entity other than the Filer, but the Proposed Transfer nonetheless would increase the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such person or Entity that proposes to purchase or acquire such shares and/or Options, (ii) the number of shares and/or Options to be so purchased or acquired, and (iii) the date(s) of such Proposed Transfer (broken out by class, as applicable).

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Number of Shares of Advanta Stock to be Purchased or Acquired</i>	<i>Number of Shares of Subject to Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Transfer</i>
Class A Preferred				
Class A Common				
Class B Common				

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock assuming the Proposed Transfer is approved and consummated as described above. The table sets forth, as of immediately following the Proposed Transfer, (i) the number of Shares of Advanta Stock (or Options to acquire Advanta Stock) that would be owned directly by the Filer and (ii) in the case of any beneficial ownership by the Filer of shares and/or Options that would be owned by another person or Entity as record/legal owner, the name(s) of each prospective record/legal owner and the number of shares and/or Options that would be owned by each such record/legal owner (broken out by class, as applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Number of Shares of Advanta Stock to be Owned</i>	<i>Number of Shares subject to Options to be Owned</i>
Class A Preferred			
Class A Common			

Class B Common			
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(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a purchase or acquisition of shares of Advanta Stock and/or Options to acquire Advanta Stock directly by the Filer and such Proposed Transfer would result in (i) an increase in the beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock by a person or Entity (other than the Filer) that currently is a Substantial Equityholder or (ii) a person or Entity (other than the Filer) becoming a Substantial Equityholder, the following table sets forth (i) the name of each such person or Entity, (ii) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that are beneficially owned by such person or Entity prior to the Proposed Transfer, and (iii) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that would be beneficially owned by such person or Entity immediately following the Proposed Transfer (broken out by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Number of Shares/Options prior to Proposed Transfer</i>	<i>Number of Shares/Options following Proposed Transfer</i>
Class A Preferred			
Class A Common			
Class B Common			

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors' counsel and the Creditors' Committee's counsel.

PLEASE TAKE FURTHER NOTICE that the Debtors or the Creditors' Committee have **fifteen (15) business days** after the filing of this Notice to object to the Proposed Transfer described herein. If the Debtors or the Creditors' Committee file an objection, such Proposed Transfer will not be effective unless approved by a final and nonappealable order of the Court. If the Debtors and the Creditors' Committee do not object within such fifteen (15) business day period, or if the Debtors and the Creditors' Committee

provide written authorization approving the Proposed Transfer prior to the end of such fifteen (15) business day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions that may result in the Filer increasing its beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

For purposes of this Notice:

(i) "Beneficial ownership" (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the "**IRS**"), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock;

(ii) "Entity" has the meaning given to it in Treasury Regulations section 1.382-3(a) and shall include persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition;

(iii) "Option" means any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable;

(iv) "Substantial Equityholder" means any person or Entity that beneficially owns at least:

- a. 47 shares of Advanta's Class A Preferred Stock (representing 4.75% of all shares of Advanta's Class A Preferred Stock issued and outstanding);
- b. 684,481 shares of Advanta's Class A Common Stock (representing 4.75% of all shares of Advanta's Class A Common Stock issued and outstanding); or
- c. 1,413,432 shares of Advanta's Class B Common Stock (representing 4.75% of all shares of Advanta's Class B Common Stock issued and outstanding).

[IF APPLICABLE] the Filer is represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
[Name of Filer]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Date: \_\_\_\_\_



## **Exhibit G**

### **Notice of Intent to Sell, Trade or Otherwise Transfer Advanta Stock**

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

-----X	
<i>In re</i>	: Chapter 11
	:
ADVANTA CORP., <i>et al.</i> ,	: Case No. 09-[•] (•)
	:
Debtors. <sup>1</sup>	: (Joint Administration Requested)
	:
-----X	

**NOTICE OF INTENT TO SELL, TRADE  
OR OTHERWISE TRANSFER ADVANTA STOCK**

PLEASE TAKE NOTICE that [Name of Filer] (the “**Filer**”) hereby provides notice (the “**Notice**”) of (i) its intention to sell, trade or otherwise transfer directly one or more shares of Advanta Corp. (“**Advanta**”) Class A Preferred Stock (the “**Class A Preferred**”), Advanta Class A Common Stock (the “**Class A Common**”), Advanta Class B Common Stock (the “**Class B Common**,” and together with the Class A Preferred and the Class A Common, “**Advanta Stock**”) and/or Options (as defined below) to acquire shares of Advanta Stock and/or (ii) a proposed sale or transfer of shares of Advanta Stock and/or Options to acquire Advanta Stock that would result in a decrease in the number of shares of Advanta Stock or Options to acquire Advanta Stock that are beneficially owned (as defined below) by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Transfer involves the sale or transfer directly by the Filer of shares of Advanta Stock and/or Options to acquire Advanta Stock, the table sets forth (i) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock proposed to be sold or transferred, and (ii) the date(s) of such Proposed Transfer (broken out by class, as applicable).

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

2. If the Proposed Transfer involves the sale or transfer of shares of Advanta Stock and/or Options to acquire Advanta Stock by a person or Entity other than the Filer, but the Proposed Transfer nonetheless would decrease the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such person or Entity that proposes to sell or transfer such shares and/or Options, (ii) the number of shares and/or Options to be so sold or transferred, and (iii) the date(s) of such Proposed Transfer (broken out by class, as applicable).

<i>Class</i>	<i>Name of Transferor</i>	<i>Number of Shares of Advanta Stock to be Sold or Transferred</i>	<i>Number of Shares of Advanta Stock Subject to Options to be Sold or Transferred</i>	<i>Date(s) of Proposed Transfer</i>
Class A Preferred				
Class A Common				
Class B Common				

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock assuming the Proposed Transfer is approved and consummated as described above. The table sets forth, as of immediately following the Proposed Transfer, (i) the number of Shares of Advanta Stock (or Options to acquire Advanta Stock) that would be owned directly by the Filer and (ii) in the case of any beneficial ownership by the Filer of shares and/or Options that would be owned by another person or Entity as record/legal owner, the name(s) of each prospective record/legal owner and the number of shares and/or Options that would be owned by each such record/legal owner (broken out by class, as applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Number of Shares of Advanta Stock to be Owned</i>	<i>Number of Shares subject to Options to be Owned</i>
Class A Preferred			
Class A			

Common			
Class B Common			

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a sale or transfer of shares of Advanta Stock and/or Options to acquire Advanta Stock directly by the Filer and such Proposed Transfer would result in (i) a decrease in the beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock by a person or Entity (other than the Filer) that currently is a Substantial Equityholder or (ii) a person or Entity (other than the Filer) becoming a Substantial Equityholder, the following table sets forth (i) the name of each such person or Entity, (ii) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that are beneficially owned by such person or Entity prior to the Proposed Transfer, and (iii) the number of shares of Advanta Stock and/or Options to acquire Advanta Stock that would be beneficially owned by such person or Entity immediately following the Proposed Transfer (broken out by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Number of Shares/Options prior to Proposed Transfer</i>	<i>Number of Shares/Options following Proposed Transfer</i>
Class A Preferred			
Class A Common			
Class B Common			

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors' counsel, and the Creditors' Committee's counsel.

PLEASE TAKE FURTHER NOTICE that the Debtors or the Creditors' Committee have **fifteen (15) business days** after the filing of this Notice to object to the Proposed Transfer described herein. If the Debtors or the Creditors' Committee file an objection, such Proposed Transfer will not be effective unless approved by a final and nonappealable order of the Court. If the Debtors and the Creditors' Committee do not object within such fifteen (15) business day period, or if the Debtors and the Creditors' Committee provide written authorization approving the Proposed Transfer prior to the end of such fifteen (15) business day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions that may result in the Filer increasing its beneficial ownership of shares of Advanta Stock and/or Options to acquire Advanta Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

For purposes of this Notice:

(i) "Beneficial ownership" (or any variation thereof of Advanta Stock and Options to acquire Advanta Stock) shall be determined in accordance with applicable rules under section 382 of the Tax Code, Treasury Regulations and rulings issued by the Internal Revenue Service (the "**IRS**"), and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Advanta Stock;

(ii) "Entity" has the meaning given to it in Treasury Regulations section 1.382-3(a) and shall include persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition.

(ii) "Option" means any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable;

(iii) "Substantial Equityholder" means any person or Entity that beneficially owns at least:

- d. 47 shares of Advanta's Class A Preferred Stock (representing 4.75% of all shares of Advanta's Class A Preferred Stock issued and outstanding);
- e. 684,481 shares of Advanta's Class A Common Stock (representing 4.75% of all shares of Advanta's Class A Common Stock issued and outstanding); or

- f. 1,413,432 shares of Advanta's Class B Common Stock (representing 4.75% of all shares of Advanta's Class B Common Stock issued and outstanding); and

[IF APPLICABLE] the Filer is represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
[Name of Filer]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit H**

### **Notice of Substantial Claimholder Status**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	-X	
<i>In re</i>	:	Chapter 11
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	-X	

**NOTICE OF SUBSTANTIAL CLAIMHOLDER STATUS<sup>2</sup>**

PLEASE TAKE NOTICE that [Name of Filer] (the “**Filer**”) hereby provides notice (the “**Notice**”) that the Filer is a Substantial Claimholder of Claims against Advanta Corp. (“**Advanta**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. In the case of Claims that are owned directly by the Filer, the table sets forth the dollar amount of all Claims beneficially owned (as defined below) by the Filer (broken down by Class, as applicable).

2. In the case of Claims that are not owned directly by the Filer but are nonetheless beneficially owned by the Filer, the table sets forth (i) the name(s) of each record or

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<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> Unless otherwise indicated, all terms not expressly defined in this Notice shall be construed to have the same meaning as such terms have in the Interim Order pursuant to sections 105(a) and 362 of the Bankruptcy Code (i) establishing notification procedures regarding restrictions on certain transfers of interests in the Debtors’ estates and (ii) scheduling a final hearing.



legal owner of Claims that are beneficially owned by the Filer; and (ii) the dollar amount of all Claims beneficially owned by such record or legal owner (broken out by Class, as applicable).

<b>Class</b>	<b>Name of Owner</b>	<b>Dollar Amount Owned</b>
<i>Retail Notes</i>		
<i>Other General Unsecured Claims and Trust Preferreds</i>		

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the Protected Amount for each Class of Claims beneficially owned by the Filer (whether owned by the Filer directly or indirectly), and that Filer will provide any additional information in respect of such Claims that the Debtors reasonably request.

<b>Class</b>	<b>Name of Owner</b>	<b>Protected Amount</b>
<i>Retail Notes</i>		
<i>Other General Unsecured Claims and Trust Preferreds</i>		

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any) and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors' counsel and the Creditors' Committee's counsel.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

For purposes of this Notice:

(i) "Beneficial ownership" of a Claim means (x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose,

treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (e.g., a holding company would be considered to beneficially own all Claims owned or acquired by its subsidiaries) and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims; and (y) the beneficial ownership of an Option with respect to the acquisition of a Claim (for such purpose, treating a Claim as if it is stock) or any consideration distributed in respect of any Claim under a plan of reorganization; provided, that for the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order;

(ii) "Claim" means (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of Claims hereunder, any applicable intercreditor agreements, shall be given in accordance with their terms;

(iii) "Class" means any separate class of Claims, including, without limitation, (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds);

(iv) "Entity" has the meaning given to it in Treasury Regulations section 1.382-3(a) and shall include persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition;

(v) "Option" has the meaning provided in Treasury Regulations section 1.382-4(d)(9)(i), for this purpose treating Claims as if they were stock;

(vi) "Protected Amount" means the amount of Claims, by Class, of which a holder had Beneficial Ownership on the Order Date;

(vii) "Retail Notes" means the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee;

(viii) "Substantial Claimholder" means any person or Entity that Beneficially Owns, or any Entity controlled by such person or Entity through which such person or Entity Beneficially Owns, with respect to any Class of Claims, a dollar amount of Claims of such Class of more than the Threshold Amount for such Class of Claims;

(ix) "Threshold Amount" means, for the following Classes of Claims, the amount of Claims set forth in the following table which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order:

<i>Retail Notes</i>	\$6,300,000
<i>Other Unsecured Claims and Trust Preferreds</i>	\$4,200,000

(x) "Trust Preferreds" shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

[IF APPLICABLE] the Filer is represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
[Name of Filer]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit I**

**Notice of Request to Purchase, Acquire or Otherwise Accumulate a Claim**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	-X	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
	-X	

**NOTICE OF REQUEST TO PURCHASE,  
ACQUIRE OR OTHERWISE ACCUMULATE A CLAIM<sup>2</sup>**

PLEASE TAKE NOTICE that [Name of Filer] (the “**Filer**”) hereby provides notice (the “**Notice**”) of (i) its intent to purchase, acquire or otherwise accumulate directly a Claim or Claims against Advanta Corp. (“**Advanta**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) and/or (ii) a proposed purchase or acquisition of Claims that, following the proposed acquisition, would be beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the Filer filed a Notice of Substantial Claimholder Status with the Court and served copies thereof on the Debtors and Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the Filer is filing this notice as (check one):

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<sup>1</sup>The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

<sup>2</sup> Unless otherwise indicated, all terms not expressly defined in this Notice shall be construed to have the same meaning as such terms have in the Interim Order pursuant to sections 105(a) and 362 of the Bankruptcy Code (i) establishing notification procedures regarding restrictions on certain transfers of interests in the Debtors’ estates and (ii) scheduling a final hearing.

<i>A Substantial Claimholder</i>	
<i>A person or Entity that would, upon consummation of the Proposed Transfer, become a Substantial Claimholder</i>	

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. In the case of Claims that are owned directly by the Filer, the table sets forth the dollar amount of all Claims beneficially owned (as defined below) by the Filer (broken down by Class, as applicable).

2. In the case of Claims that are not owned directly by the Filer but are nonetheless beneficially owned by the Filer, the table sets forth (i) the name(s) of each record or legal owner of Claims that are beneficially owned by the Filer, and (ii) the dollar amount of all Claims beneficially owned by such record or legal owner (broken out by Class, as applicable).

<b>Class</b>	<b>Name of Owner</b>	<b>Dollar Amount Owned</b>
<i>Retail Notes</i>		
<i>Other Unsecured Claims and Trust Preferreds</i>		

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the Protected Amount for each Class of Claims beneficially owned by the Filer (whether owned by the Filer directly or indirectly), and that Filer will provide any additional information in respect of such Claims that the Debtors reasonably request.

<b>Class</b>	<b>Name of Owner</b>	<b>Protected Amount</b>
<i>Retail Notes</i>		
<i>Other Unsecured Claims and Trust Preferreds</i>		

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Transfer involves the purchase or acquisition of Claims directly by the Filer, the following table sets forth the dollar amount of all Claims (by Class) proposed to be purchased or acquired.

2. If the Proposed Transfer involves the purchase or acquisition of Claims by a person or Entity other than the Filer, but the Proposed Transfer nonetheless would increase the dollar amount of Claims that are beneficially owned by the Filer, the following table sets forth (i) the name(s) of each such person or Entity that proposes to purchase or acquire such Claims, and (ii) the dollar amount of all Claims (by Class) to be so purchased or acquired.

<b>Class</b>	<b>Record/Legal Owner</b>	<b>Dollar Amount to be Acquired</b>
<i>Retail Notes</i>		
<i>Other Unsecured Claims and Trust Preferreds</i>		

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a purchase or acquisition of Claims directly by the Filer and such Proposed Transfer would result in (i) an increase in the Beneficial Ownership of Claims by a person or Entity (other than the Filer) that currently is a Substantial Claimholder or (ii) a person or Entity (other than the Filer) becoming a Substantial Claimholder, the following table sets forth (x) the name of each such person or Entity, (y) the dollar amount of all Claims beneficially owned by such person or Entity (broken down by Class, as applicable), and (z) the dollar amount of all Claims that would be beneficially owned by such person or Entity immediately following the Proposed Transfer (broken down by Class, as applicable):

<b>Class</b>	<b>Name of Owner</b>	<b>Dollar Amount Currently Owned</b>	<b>Dollar Amount to be Owned Following Proposed Transfer</b>
<i>Retail Notes</i>			
<i>Other Unsecured Claims and Trust Preferreds</i>			

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors' counsel and the Creditors' Committee's counsel.

PLEASE TAKE FURTHER NOTICE that the Filer hereby acknowledges that if the Proposed Transfer is not approved in writing by the Debtors within **fifteen (15) business days** after the filing of this Notice, such Proposed Transfer shall be deemed rejected. If the Debtors provide written authorization approving the Proposed Transfer prior to the end of such fifteen (15) business day period, then such Proposed Transfer may proceed solely as specifically described in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions that may result in the Filer increasing its Beneficial Ownership of Claims will each require an additional notice filed with the Court to be served in the same manner as this Notice.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

(i) "Beneficial ownership" of Claims means (x) the beneficial ownership of a Claim as determined in accordance with applicable rules under section 382 of the Tax Code, the Treasury Regulations promulgated thereunder, and rulings issued by the IRS (for such purpose, treating a Claim as if it is stock), and, to the extent provided in those rules from time to time, shall include (A) direct and indirect ownership (e.g., a holding company would be considered to beneficially own all Claims owned or acquired by its subsidiaries) and (B) ownership by a holder's family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of Claims; and (y) the beneficial ownership of an Option with respect to the acquisition of a Claim (for such purpose, treating a Claim as if it is stock) or any consideration distributed in respect of any Claim under a plan of reorganization; provided, that for the avoidance of doubt, beneficial ownership of a Claim also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim pursuant to a plan of reorganization or applicable bankruptcy court order;

(ii) "Claim" means (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds). In calculating the amount of Claims hereunder, any applicable intercreditor agreements, shall be given in accordance with their terms;

(iii) "Class" means any separate class of Claims, including, without limitation, (A) the Retail Notes and (B) any other claim under which any of the Debtors is the obligor (which for this purpose shall include the Trust Preferreds);

(iv) "Entity" has the meaning given to it in Treasury Regulations section 1.382-3(a) and shall include persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition;



(v) "Option" has the meaning provided in Treasury Regulations section 1.382-4(d)(9)(i), for this purpose treating Claims as if they were stock;

(vi) "Protected Amount" means the amount of Claims, by Class, of which a holder had Beneficial Ownership on the Order Date;

(vii) "Retail Notes" means the RediReserve Variable Rate Certificates and the Investment Notes issued by Advanta and governed by the terms of that certain indenture dated October 23, 1995 between Advanta and the Bank of New York Mellon (as successor to JP Morgan Chase Bank, N.A.), as indenture trustee;

(viii) "Substantial Claimholder" means any person or Entity that Beneficially Owns, or any Entity controlled by such person or Entity through which such person or Entity Beneficially Owns, with respect to any Class of Claims, a dollar amount of Claims of such Class of more than the Threshold Amount for such Class of Claims;

(ix) "Threshold Amount" means, for the following Classes of Claims, the amount of Claims set forth in the following table which amounts may be subsequently increased or decreased as the Debtors may determine to be appropriate in the Notice of 382(l)(5) Plan or thereafter in compliance with the Order:

<i>Retail Notes</i>	\$6,300,000
<i>Other Unsecured Claims and Trust Preferreds</i>	\$4,200,000

(x) "Trust Preferreds" shall mean the trust preferred securities issued by Advanta Capital Trust I, a statutory business trust, representing preferred beneficial interests in the assets of the trust. The assets of the trust consist of 8.99% junior subordinated debentures, due December 17, 2026, issued by Advanta.

[IF APPLICABLE] the Filer is represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
[Name of Filer]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit J**  
**Election Notice**

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

-----X  
:  
*In re* : Chapter 11  
:  
ADVANTA CORP., *et al.*, : Case No. 09-[•] (•)  
:  
Debtors.<sup>1</sup> : (Joint Administration Requested)  
:  
-----X

**NOTICE OF ELECTION AND CONSENT UNDER THE  
[INTERIM/FINAL] ORDER PURSUANT TO  
SECTIONS 105 AND 362 OF THE BANKRUPTCY CODE ESTABLISHING  
NOTIFICATION PROCEDURES AND APPROVING RESTRICTIONS  
ON CERTAIN TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES**

PLEASE TAKE NOTICE that [Name of Claimholder] herewith elects to become an Electing Claimholder under the [Interim/Final Order] Pursuant to Sections 105(a) and 362 of the Bankruptcy Code Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates (the "Order") and agrees to be bound by the terms set forth therein and below.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Claimholder] is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors' counsel and the Creditors' Committee's counsel.

PLEASE TAKE FURTHER NOTICE that, in the event that the Debtors deliver notice (a "**Sell-Down Notice**") that an Electing Claimholder<sup>2</sup> must sell, cause to sell or otherwise

<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.

transfer all or a portion of its beneficial ownership of the excess (in each case, calculated by Class) of (x) the amount of Claims beneficially owned by such Electing Claimholder over (y) such Electing Claimholder's Maximum Amount to unrelated transferees each of which does not own immediately prior to such transfer, and will not own after the contemplated consummation of such transfer, an Excess Amount with respect to such transferee, then the Electing Claimholder shall sell, cause to sell or otherwise transfer the portion of the Excess Amount specified in the Sell-Down Notice, prior to the Sell-Down Date.

PLEASE TAKE FURTHER NOTICE that the Electing Claimholder agrees not to sell, cause to sell or otherwise transfer Claims to any transferee if the Electing Claimholder has a reasonable basis to believe that (1) such transferee is or would become as a result of such sale or transfer a Substantial Claimholder, and (2) the transferee is an Electing Claimholder. In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, an Electing Claimholder shall, to the extent that it is reasonably feasible to do so within normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of the Order and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a sales person and a customer, including, without limitation, communication via telephone, e-mail and instant messaging, the existence of the Order and the Equity Forfeiture Provision shall be included in such sales person's summary of the transaction).

PLEASE TAKE FURTHER NOTICE that, until the date that the Electing Claimholder has sold, caused to sell or otherwise transferred that portion of the Excess Amount specified in the Sell-Down Notice, the Electing Claimholder (either directly or through its advisors) shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that any Claims in which such Electing Claimholder has a beneficial ownership are Newly Traded Claims. For this purpose, the Debtors acknowledge and agree that the following activities shall not constitute participation in formulating a plan of reorganization if, in pursuing such activities, the relevant Electing Claimholder does not disclose (or otherwise make evident) to the Debtors that such Electing Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization; voting to accept or reject a proposed plan of reorganization; reviewing or commenting on a proposed business plan; providing information on a confidential basis to the attorneys for the Debtors; general membership on an official committee or an *ad hoc* committee; or taking any action required by the order of the Court.

PLEASE TAKE FURTHER NOTICE that the Electing Claimholder acknowledges and agrees that, as sanction for violating the Electing Claimholder's obligations under this election, the Electing Claimholder may be subject to the Equity Forfeiture Provision under the Order.

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<sup>2</sup> All terms not expressly defined in this Notice shall be construed to have the same meaning as such terms have in the Order.

PLEASE TAKE FURTHER NOTICE that the Electing Claimholder acknowledges and agrees to provide a Notice of Compliance to the Debtors and Debtors' counsel within five (5) business days after the later of (i) entry of an order approving the 382(l)(5) Plan, (ii) the Sell-Down Date and (iii) such other date specified in the Sell-Down Notice (but in any event before the effective date of the 382(l)(5) Plan) that such Electing Claimholder has complied fully with the terms and conditions set forth in this Notice and the Sell-Down Notice.

PLEASE TAKE FURTHER NOTICE that this Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[IF APPLICABLE] I am represented by [name of the law firm], [address], [phone], (Attn: [name]).

Respectfully submitted,

\_\_\_\_\_  
(Name of Electing Claimholder)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit K**  
**Notice of Compliance**

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

	-X	
<i>In re</i>	:	Chapter 11
	:	
ADVANTA CORP., <i>et al.</i> ,	:	Case No. 09-[●] (●)
	:	
Debtors. <sup>1</sup>	:	(Joint Administration Requested)
	:	
	-X	

**NOTICE OF COMPLIANCE**

PLEASE TAKE NOTICE that [Name of Claimholder] hereby provides notice (the “Notice”) that [Name of Claimholder] has complied in full with the terms and conditions set forth in the Order, as further set forth in the Sell-Down Notice issued to [Name of Claimholder], such that [Name of Claimholder] does not and will not beneficially own an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Claimholder] is \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, this Notice is being filed with the Court and served upon the Debtors, the Debtors’ counsel and the Creditors’ Committee’s counsel.

PLEASE TAKE FURTHER NOTICE that this Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[IF APPLICABLE] I am represented by [name of the law firm], [address], [phone], (Attn: [name]).

---

<sup>1</sup> The Debtors in these 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), Great Expectations International Inc. (0440), Great Expectations Franchise Corp. (3326), and Great Expectations Management Corp. (3328). Each of the Debtors (other than the Great Expectations entities) maintains its principal corporate office at Welsh & McKean Roads, P.O. Box 844, Spring House, Pennsylvania 19477-0844. The Great Expectations entities maintain their principal corporate office at 1209 Orange Street, Wilmington, Delaware 19801.



Respectfully submitted,

\_\_\_\_\_  
(Name of Electing Claimholder)

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Address:\_\_\_\_\_

\_\_\_\_\_

Telephone:\_\_\_\_\_

Facsimile:\_\_\_\_\_

Date: \_\_\_\_\_