

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	TEMPORARY ORDER TO
	)	CEASE AND DESIST
ADVANTA BANK	)	
WILMINGTON, DELAWARE	)	
	)	FDIC-09-724c&b
(INSURED STATE NONMEMBER BANK)	)	

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The Federal Deposit Insurance Corporation ("FDIC") has determined, based on the filing of a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code by Advanta Corp., Spring House, Pennsylvania ("Parent Company"), the parent company of Advanta Bank, Wilmington, Delaware ("Bank"), the adverse financial condition of the Bank's affiliate, Advanta Bank Corp., the lack of independence of the board of directors of the Bank, and the FDIC's inability to obtain answers from the Bank with respect to certain Bank transactions, that there is a substantial threat that the Bank has engaged in or will engage in violations of law and/or unsafe and unsound banking practices as further specified in the NOTICE OF CHARGES AND OF HEARING ("NOTICE") attached hereto and incorporated herein by reference, and that such violations of law and/or unsafe and unsound banking practices would be likely

to cause insolvency or significant dissipation of the assets or earnings of the Bank, or to weaken the condition of the Bank or otherwise prejudice the interests of the depositors of the Bank prior to the completion of the proceedings against the Bank conducted pursuant to section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b). Therefore, the FDIC hereby issues this TEMPORARY ORDER TO CEASE AND DESIST ("TEMPORARY ORDER") and hereby gives notice pursuant to section 8(c)(1) of the Act, 12 U.S.C. § 1818(c)(1), that the Bank be and hereby is ORDERED to take affirmative action to prevent the threatened violations of law and/or unsafe or unsound banking practices from occurring, as follows:

1. (a) Immediately upon the effective date of this TEMPORARY ORDER, the Bank shall take any and all steps necessary to ensure that it does not, without the prior written consent of the Regional Director of the FDIC's New York Regional Office ("Regional Director"), either directly or indirectly enter into, participate in, or otherwise engage in or allow any "extension of credit" to the Parent Company or to any other "affiliate" of the Bank, and/or directly or indirectly enter into, participate in, or otherwise engage in or allow any "covered transaction" or "transaction covered" with the Parent Company or with any other "affiliate" of the Bank regardless of whether such

"extension of credit", "covered transaction" or "transaction covered" would be prohibited, limited, restricted or otherwise regulated by sections 23A or 23B of the Federal Reserve Act ("Sections 23A and 23B"), 12 U.S.C. §§ 371c and 371c-1.

(b) For purposes of this TEMPORARY ORDER, the term "extension of credit" shall be defined as set forth at 12 C.F.R. § 215.3, and "affiliate," "covered transaction" and "transaction covered" shall have the meanings set forth in Sections 23A and 23B. Additionally, for purposes of this TEMPORARY ORDER, any transaction by the Bank with any person or entity shall be deemed to be a transaction with an "affiliate" of the Bank if any of the proceeds of the transaction are used for the benefit of, or transferred to such "affiliate," or the transaction in any manner directly or indirectly benefits the "affiliate" of the Bank, serves to reduce the liability or obligations of the "affiliate" of the Bank, or otherwise serves to benefit the "affiliate" of the Bank.

2. Immediately upon the effective date of this TEMPORARY ORDER, the Bank shall not enter into any contract or modification of an existing contract, including any tax-sharing agreement, with the Parent Company or any other "affiliate" of the Bank, or increase the periodic payments

under any existing contract with the Parent Company or any other "affiliate" of the Bank without submitting the new contract, modification, or information concerning the proposed increase in any existing contract with the Parent Company or any other "affiliate" of the Bank to the Regional Director for review and prior written approval.

3. Immediately upon the effective date of this TEMPORARY ORDER, the Bank shall take any and all steps necessary to ensure that it does not, without the prior written consent of the Regional Director, either declare or pay dividends or make any other form of payment representing a reduction in capital without the prior written approval of the Regional Director.

4. Immediately upon the effective date of this TEMPORARY ORDER, the Bank shall provide specific explanations in writing to the Regional Director, along with records supporting such explanations, for two transactions of the Bank that occurred between June 30, 2009 and September 30, 2009, and involved a \$5.3 million reduction in other liabilities and a \$2.6 million tax expense/provision. The explanations and supporting records must be acceptable to the Regional Director. If the Bank fails to provide explanations and supporting records for such transactions that are acceptable to the Regional Director, the Bank shall reverse

the two transactions within five (5) days of receipt of written notice from the FDIC that such explanations and supporting records are unacceptable.

5. Immediately upon the effective date of this TEMPORARY ORDER, the Bank shall: (a) maintain records sufficiently complete and accurate to enable the FDIC to determine the Bank's financial condition and the substance and purpose of any transactions that may have an effect on the Bank's financial condition; (b) provide the FDIC with prompt and unrestricted access to the books, records and staff of the Bank and "affiliates" of the Bank, and upon FDIC inquiry, provide the FDIC with the purpose and full details of all Bank transactions, including transactions between the Bank, the Parent Company, and "affiliates" of the Bank; and (c) preserve all Bank records, including accounting information relating to Bank transactions.

6. All requests for prior written approval of the Regional Director required under this TEMPORARY ORDER shall be received by the Regional Director at least 30 days prior to the proposed action for which approval is requested and shall, at a minimum, include an analysis of the impact such proposed action would have on the Bank. The Regional Director may require any additional information related to the request that he or she, in his or her sole discretion, deems necessary or appropriate.

7. The provisions of this TEMPORARY ORDER shall not bar, estop or otherwise prevent the FDIC or any other federal or state agency or department from taking any action against the Bank, any of the Bank's current or former institution-affiliated parties or agents for violations of law or regulation, or engaging in unsafe or unsound banking practices.

8. The provisions of this TEMPORARY ORDER shall be effective immediately upon service on the Bank and shall remain in full force and effect, pending the completion of the administrative proceedings instituted pursuant to the foregoing NOTICE.

Pursuant to delegated authority.

Dated at Washington, D.C., this 16<sup>TH</sup> day of December, 2009.

/s/  
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Christopher J. Spoth  
Senior Deputy Director  
Division of Supervision and  
Consumer Protection