

**UNITED STATES BANKRUPTCY COURT FOR THE
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

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|---------------------------|---|--------------------------|
| IN RE: |) | Chapter 11 |
| |) | |
| ATA Holdings Corp., et al |) | Case No. 04-19866-BHL-11 |
| |) | (Jointly Administered) |
| |) | |
| Debtors. |) | |
| _____ |) | |

**FINAL APPLICATION, UNDER 11 U.S.C. § 330, OF GREENEBAUM DOLL &
MCDONALD PLLC FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS CO-COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS**

Comes the firm of Greenebaum Doll & McDonald PLLC (“Applicant”), co-counsel for the Official Committee of Unsecured Creditors of ATA Holdings Corp., et al (the “Committee”), and pursuant to Bankruptcy Code Sections 330(a) and 331, Bankruptcy Rule 2016 and this Court's Order Granting Motion (I) Approve Procedures for Billing By And Payments To Professionals Retained In This Case For Fees And Expenses Incurred And (II) Approve Procedures And Partial Deferral Of Draw Down Of Retainer Paid To Professionals Retained In This Case Until Requested By Debtors (the “Billing and Payment Order”) entered by the Court on December 10, 2004, respectfully applies to the Court for final allowance of its Final Application under 11 U.S.C. § 330 for Fees and Expenses as Co-Counsel for the Official Committee of Unsecured Creditors (“Final Application”). In support thereof, Applicant respectfully provides:

VENUE AND JURISDICTION

This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought

herein are 11 U.S.C. §§ 330 and 331 and Federal Rules of Bankruptcy Procedures 2002 (a) and 2016.

BACKGROUND

On October 26, 2004 (the “Petition Date”), ATA Holdings Corp. and seven related entities¹ (collectively, the “Debtors”) filed with this Court their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

The Debtors continued in possession of their property and operated and managed their businesses as debtors-in-possession pursuant to §§ 1107(a) and 1008 of the Bankruptcy Code prior to the confirmation of their Plan.

On November 1, 2004 (the “Committee Formation Date”), pursuant to Section 1102 of the Bankruptcy Code, the United States Trustee appointed the Committee. After the Committee Formation Date, the Committee selected Applicant to serve as co-counsel to the Committee pursuant to Section 1103(a) of the Bankruptcy Code.

On November 18, 2004, the Committee filed its “Application to Employ Greenebaum Doll & McDonald PLLC” (Doc. No. 424) with this Court. On December 10, 2004, the Final Order Authorizing the Employment of Greenebaum Doll & McDonald as Co-Counsel for the Official Committee of Unsecured Creditors (“Employment Order”) (Doc. \$712) (See attached Exhibit A) was entered by the Court. The Employment Order authorized the employment of applicant nunc pro tunc to November 4, 2004. A copy of the Employment Order is attached hereto as Exhibit A.

The Debtors’ cases successfully culminated in the approval of a plan of reorganization (“Plan”) for five of the Debtors,¹ ATA Holdings Corp., ATA Airlines, Inc., ATA Leisure Corp.,

¹ ATA Airlines, Inc. (04-19868); Ambassadair Travel Club, Inc. (04-19869); ATA Leisure Corp. (04-19870); Amber Travel, Inc. (04-19871); American Trans Air Execujet, Inc. (04-19872); ATA Cargo, Inc. (04-19873); and Chicago Express Airlines, Inc. (04-19874).

ATA Cargo, Inc. and American Trans Air Execujet, Inc. (collectively, the “Reorganizing Debtors”) on January 31, 2006 (“Confirmation Order”). The effective date of the Plan was February 28, 2006. Pursuant to the terms of the Plan, holders of professional claims have 60 days from the Effective Date to file a final fee application.

ELEMENTS OF FINAL APPLICATION

1. **TIME PERIOD COVERED.** The time period covered is from November 4, 2005 up to and including April 24, 2006. All fees requested for periods after February 28, 2006 the effective date of the Plan are related to the preparation of this Final Application. The compensation being requested in this Final Application is authorized by the Billing and Payment Order and 11 U.S.C. § 330.

2. **EMPLOYMENT OF FIRM.** Pursuant to the Employment Order, the Committee retained Applicant as Committee co-counsel to render necessary professional services in connection with the Debtors' Chapter 11 proceedings under the terms of the Employment Order. Applicant has worked in that capacity since November 4, 2004.

3. **SERVICES COVERED.** All services for which compensation is requested were performed pursuant to orders of this Court or in the course of the representation of the Committee.

4. **NO COMPENSATION SHARING.** No agreement or understanding has existed or does exist between petitioning law firm and any other person for the sharing of compensation received or to be received by it in connection with the services rendered in these cases. Applicant is Co-counsel for the Committee with Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) but both parties maintain separate time and expense records and file separate

¹ The remaining Debtors, Ambassadair Travel Club, Inc., Amber Travel Inc. and C8 Airlines Inc., f/k/a Chicago Express Airlines Inc. are being liquidated and Applicant reserves the right to file a claim for professional fees in the C8 Airlines Inc. case for services rendered to that debtor.

applications. Both Firms have worked diligently to ensure that there is no overlap in responsibilities and workload.

5. **FEE APPLICATIONS AND FEE STATEMENTS.** This fee application is the Applicant's third formal application seeking approval, compensation and reimbursement of out-of-pocket expenses advanced by counsel for the Committee. Applicant previously filed its first quarterly application ("First Application") (see attached Exhibit B) seeking compensation and reimbursement of expenses for the period of November 4, 2004 to March 31, 2005 in the amount of \$206,601.54 on May 23, 2005 (Doc. No. 2259). The First Application was approved by this Court on August 17, 2005 (Doc. No. 2734) with the agreement that Applicant would permit 10% of its fees requested in its First Application to be held as a holdback. On August 17, 2005 the Court approved the First Application with a 10% holdback ("First Application Order") (See attached Exhibit C).

Applicant also filed a second quarterly fee application ("Second Application") (see attached Exhibit D) seeking compensation and reimbursement of expenses for the period of April 1, 2005 through August 30, 2005 in the amount of \$164,453.19 on November 8, 2005 (Doc. No. 3201). The Second Application was approved in full by this Court on December 28, 2005 (Doc. No. 3427) ("Second Application Order"). A copy of the Second Application Order is attached hereto as Exhibit E.

Subsequent to the filing of the First and Second Applications, Applicant has submitted "Fee Statements," as that term is defined in the Billing and Payment Order, to the Debtors for the periods of September, 2005 through November, 2005 on December 30, 2005 (see attached Exhibit F) and December, 2005 through February, 2006 on March 20, 2006 (see attached Exhibit G). Applicant also requests approval of \$6,319.05 in fees and expenses related to the preparation of this Final Application as set forth in detail in Exhibit H. The total fees and expenses detailed

by month and invoice requested by Applicant of \$577,556.08 in this case are summarized in attached Exhibit I.

6. AMOUNTS PAID TO APPLICANT BY DEBTORS

Under the provisions of 11 U.S.C. § 331, the Billing and Payment Order and the Plan, the Debtors and/or ATA Airlines have paid Applicant the sum of \$332,992.34 through April 3, 2006. A Summary of the Debtors' Payments to Applicant is attached hereto as Exhibit J ("Interim Payments). These Interim Payments leave an unpaid balance of \$244,563.74 due Applicant if its Final Application is approved in full.

7. HOLDBACK

Under the terms of the Billing and Payment Order, 20% of Applicant's fees requested by the Monthly Fee Statements, were withheld as a holdback during the case. However Applicant and all other professionals can request payment of these holdback amounts in their final fee applications in formal fee application. Applicant is requesting the payment of all outstanding holdbacks for the period covered by the Final Application. This Court in the First Application and Second Application Orders approved either full or partial payments of Applicant's holdbacks for the periods covered by those applications.

8. SUMMARY AND BACKGROUND OF WORK PERFORMED.

a. Time and Labor Expended. As exhibits to this Final Application, Applicant submits time sheets to this Court listing the hours spent representing the Committee and the dates upon which, and the professional by whom, the services were rendered (the "Invoices"). A summary of these Invoices is attached hereto as Exhibit I. The Invoices include descriptions of the services provided, including the subject matter of all conferences and telephone calls, the parties involved and the identity of all documents drafted, reviewed, filed or served, as well as the nature, purpose and necessity of all legal research. A schedule of the time

costs by task/category number, a schedule of the reimbursable costs and a schedule of the total time expended by each professional in this case is set out at the end of each of the Monthly Invoices. Summaries of Applicant's fees by task code and by attorney are provided at Schedule 1 and Schedule 2 of this Final Application respectively.

b. Novelty and Difficulty of the Questions Involved. This Case involves the complex bankruptcy issues relating to airlines as well as matters involving significant bankruptcy litigation. The Committee and this Court have addressed difficult and complicated issues involving the Plan, ongoing operations, debtor financing, emergency motions for relief and lease and contract acceptances and rejection requests. Some of these matters have occurred at a rapid pace and the Applicant has responded to all time demands.

c. Administration of Cases. Applicant is co-counsel with Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"). Applicant and Akin Gump have worked together to avoid unnecessary duplication of efforts and work has been assigned between the firms based on individual and firm knowledge of issues and as instructed by the Committee. Applicant and Akin Gump conducted a number of telephonic meetings and several in-person meetings during the case. These conferences were necessary because of the delegation of work between Applicant and Akin Gump and the need to provide full information to the members of the Committee and other Committee professionals involved in the case.

Applicant has billed its non-working travel at 50% of the professional's actual hourly rate. Applicant takes this action to show its good faith efforts to monitor costs in this difficult, but ultimately successful, case.

d. Skill Requisite to Perform the Legal Services Properly. Applicant has attorneys who are knowledgeable in the areas of the law for the legal issues already described and many others facing this Committee. These skilled attorneys can address the complex issues

and coordinate the most efficient resolution for the Debtors' and Committee's specific circumstances. Applicant believes its ability to utilize a number of attorneys with particular areas of concentration has allowed accurate and fast analysis of issues, and thus an overall cost savings to the Debtors and the Committee.

e. Preclusion of Other Employment. Applicant's representation of the Committee precluded Applicant's representation of other clients who are creditors of the Debtors or otherwise involved in the case.

f. Customary Fee. The rates charged by Applicant as set forth in the Invoices represent Applicant's regular hourly rates in cases of this nature. The rates of attorneys and paralegals are shown on the Invoices setting forth the time costs per attorney attached hereto.

g. Fee Is Not Fixed or Contingent. The fee requested by Applicant herein is neither fixed nor contingent, but is based upon Applicant's regular hourly rates in cases of this nature.

h. Time Limitation Imposed. This case has involved a number of deadlines and hearings, set on short notice. The Committee and its professional, including Applicant, worked diligently to meet their deadlines.

i. Experience, Reputation and Ability of Applicant. Applicant is generally recognized as one of the major law firms in the region and has extensive experience representing Chapter 11 creditors committees and debtors.

j. Awards in Similar Cases. Applicant believes that the fees requested herein are commensurate with those charged by other law firms in this District for cases similar in size and nature.

9. ITEMIZATION OF FEES. The fees for professional services rendered in this matter from November 4, 2004 through April 24, 2006 are \$553,981.25. Applicant believes that

all of its fees were reasonable and necessary, but has agreed to write off 50% of the non-working travel time (B26). The total time written off as non-working travel detailed in Schedule 1. Applicant has previously been paid fees and expenses of \$332,992.34 with respect to Fee Statements and First and Second Applications previously submitted.

The Invoices show Applicant's attorneys and other professionals that have worked on this matter from November 4, 2004 through April 24, 2006 and the related charge by professional. The Invoices also disclose the standard rates per hour charged for each professional. Applicant believes the rates per hour are fair and reasonable. Pursuant to the terms of the Employment Order, Applicant retained the right to adjust professional rates, per Applicant's standard practice for revising its attorney rates. During the case, Applicant adjusted its rates effective March 15, 2005 for C.R. "Chip" Bowles, July 1, 2005 for all professionals and March 1, 2006 for its paralegals and associates.

10. **PROJECTED CATEGORIES.** Pursuant to the fee application guidelines of Region 10 of the United States Trustee's office, the Applicant has divided the services it performs for the Committee into twenty-six (26) different project categories, below is a description of these categories.

| <u>CODE</u> | <u>DESCRIPTION</u> |
|--------------------|---|
| B02 | <u>CASE ADMINISTRATION</u> : Coordination and compliance activities, including preparation of filings with the United States Trustee's Office and meetings and court appearances in connection therewith as well as general (as contrasted to specific) creditors' inquiries. |
| B03 | <u>BUSINESS OPERATIONS</u> : Issues related to debtors-in-possession operating in a Chapter 11 such as employee, vendor, tenant issues and similar problems. |
| B04 | <u>FINANCING</u> : Matters under §§ 361, 363 and 364, including cash collateral, secured claims and loan documentation. |
| B05 | <u>MEETINGS OF CREDITORS/CREDITOR COMMITTEE ACTIVITIES</u> : Preparation for and attendance at meetings of creditors and creditors committee meetings, including the § 341(a) meeting. |

- B06 CLAIMS ADMINISTRATION AND OBJECTIONS: Specific claim inquiries; bar date motions; analyses, objections and allowances of claims.
- B07 RELIEF FROM STAY/ADEQUATE PROTECTION PROCEEDINGS: Matters relating to termination or continuation of automatic stay under § 362.
- B08 ASSET ANALYSIS AND RECOVERY: Identification and review of potential assets including causes of action and non-litigation recoveries.
- B09 ASSET DISPOSITION: Sales, leases, assumption/rejection of leases and contracts, abandonment and related transaction work.
- B10 VALUATION: Secure and/or review appraisals of assets.
- B11 BUSINESS ANALYSIS: Preparation and review of company business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies.
- B12 CORPORATE FINANCE: Review financial aspects of potential mergers, acquisitions and disposition of company or subsidiaries.
- B13 TAX ISSUES: Analysis of tax issues and preparation of state and federal tax returns.
- B14 EMPLOYEE BENEFITS/PENSIONS: Review issues such as severance, retention, 401K coverage and continuance of pension plan.
- B15 PLAN AND DISCLOSURE STATEMENT: Formulation, presentation and confirmation; compliance with the plan confirmation order; related orders and rules; disbursement and case closing activities, except those related to the allowance and objections to allowance of claims.
- B16 FEE/EMPLOYMENT APPLICATIONS: Preparation of employment and fee applications for self or others; motions to establish interim procedures.
- B17 FEE/EMPLOYMENT OBJECTIONS: Review of and objections to the employment and fee applications of others.
- B18 POST-CONFIRMATION ISSUES: Work on issues related to post-confirmation matters which may arise.
- B19 MEDIATION/ARBITRATION ISSUES: Preparation for, development of and/or participation in mediation, arbitration or other ADR procedures related to claims against the Debtors' estates.
- B20 PREFERENCE RECOVERY/AVOIDANCE ACTIONS: Identification, review, research and litigation of actions under 11 U.S.C. §544, 547 and 548 on behalf of the Debtors' estates.

- B21 REMOVAL/TRANSFER/REMAND ACTIONS: Matters related to transfer or removal of cases to Bankruptcy Court.
- B22 LITIGATION OTHER THAN ADVERSARY PROCEEDINGS: Preparation for and participation in litigation outside of the Bankruptcy Court.
- B23 ADVERSARY PROCEEDINGS: Preparation for and participation in litigation brought in adversary proceedings not covered by another specific category.
- B24 OTHER CONTESTED MATTERS: Preparation for and participation in litigation of contested matters not covered by another specific category.
- B25 OTHER: Legal services provided to the Committee which are not covered by another category.
- B26 TRAVEL: Travel to and/or from meetings or hearings.. Applicant will charge the estate one half (½) or fifty percent (50%) of their normal hourly rate for time spent in travel.
- B34 DISCOVERY: Preparation of discovery requests and response to third party discovery requests. Review of documents which are subject to discovery requests.

11. **ITEMIZATION OF COSTS.** In addition to the professional fees, Applicant has expended at least \$23,574.83 as reasonable and necessary out of pocket costs in this action, and reimbursement for such costs are hereby sought. Supporting documents relating to third party expense charges will be provided upon request. The expense charges include out of pocket amounts paid by the Applicant and a 4.0% administrative surcharge permitted by this Court to cover out-of-pocket expenses such as long distance telephone, in-house meals, in-house photocopying, postage, facsimile and in town shipping charges. By the terms of the Employment Order, this Court permitted the Debtor to charge 4.0% of its total professional fees (less 50% of non-working travel), to cover these expenses because Applicant's normal billing system made it difficult to capture such costs.

WHEREFORE, Applicant prays that this court approve the requested interim fees and expenses for the period of November 4, 2004 through April 24, 2006 in the amount of \$577,556.08, representing total fees earned in the amount of \$553,981.25 and expenses incurred

by Applicant in the amount of \$23,574.83 during that period (“Total Award”), and direct the Debtors to pay Applicant \$244,563.74 which represents the Total Award, less interim fees and expenses previously paid to Applicant in the amount of \$332,992.34 previously paid to the Applicant and for such additional and further relief is appropriate under the circumstances.

Respectfully submitted,

/s/ C.R. Bowles, Jr.

John W. Ames

C.R. Bowles, Jr.

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COUNSEL FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Application was served via electronic mail on the ___ day of April, 2006, upon the Core Group, 2002 List and Appearance List and upon

ATA Holdings Corp.
7337 Washington Street
Indianapolis, IN 46231
Attention: General Counsel

BAKER & DANIELS LLP
300 No. Meridian St., Suite 2700
Indianapolis, IN 46204
Attention: Terry E. Hall, Esq.

AKIN GUMP STRAUSS HAUER &
FELD, LLP
590 Madison Avenue
New York, NY 10022
Attention: Lisa Beckerman, Esq.

SIDLEY AUSTIN LLP
787 7th Avenue
New York, NY 10019
Attention: Shalom L. Kohn

by Regular 1st Class Mail, postage prepaid and overnight courier service on this ____ day of April, 2006.

/s/ C.R. Bowles, Jr.

COUNSEL FOR THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS