

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

In re: :  
: Chapter 11  
ATA Holdings, Corp., et al., : Case No. 04-19866  
: Jointly Administered  
: :  
Debtors. :

**COMBINED SECOND QUARTERLY AND FINAL APPLICATION OF NAVIGANT  
CAPITAL ADVISORS, LLC, FINANCIAL ADVISORS TO THE DEBTORS  
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

*Name of Applicant:* Navigant Capital Advisors, LLC

*Authorized to Provide Professional Services to:* ATA Holdings, Corp., et al.

*Date of Retention:* June 14, 2005, *nunc pro tunc* to May 18, 2005

*Period for which Compensation and Reimbursement is Sought:* December 1, 2005 through February 28, 2006  
(*Second Quarterly Period*)  
May 18, 2005 through February 28, 2006  
(*Final Period*)

*Amount of Compensation Sought as Actual, Reasonable, and Necessary:* \$ 503,519.00 (*Second Quarterly Period*)  
\$1,225,993.00 (*Final Period*)

*Amount of Compensation Sought and Paid as Actual, Reasonable and Necessary:* \$ 447,367.30 (*Second Quarterly Period*)  
\$1,169,841.30 (*Final Period*)

*Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:* \$ 59,148.40 (*Second Quarterly Period*)  
\$110,169.49 (*Final Period*)

*Amount of Expense Reimbursement Sought and Paid as Actual, Reasonable, And Necessary:* \$ 59,148.40 (*Second Quarterly Period*)  
\$110,169.49 (*Final Period*)

*Total Amount of Compensation (20% holdback) sought:* \$56,151.70 (*Second Quarterly Period*)

This is a:          Quarterly          Combined Second Quarterly and Final Application

**Cumulative Summary of Monthly Fee Statements Submitted by Navigant Capital Advisors, LLC for Services Rendered and Reimbursement of Expenses as Financial Advisor for ATA Holdings, Corp., et al.**

Date Served	Period Covered	Requested		Paid		
		Fees	Expenses	Fees	Expenses	Pending
10/13/2005	05/18/05 - 08/31/05	54,454.75	907.14	54,454.75	907.14	-
10/26/2005	08/01/05 - 08/31/05 <sup>1</sup>	49,887.00	2,825.10	49,887.00	2,825.10	-
11/17/2005	09/01/05 - 09/30/05	131,825.50	7,862.99	131,825.50	7,862.99	-
12/13/2005	10/01/05 - 10/31/05	232,190.75	20,422.32	232,190.75	20,422.32	-
12/30/2005	11/01/05 - 11/30/05	254,116.00	19,003.54	254,116.00	19,003.54	-
1/24/2006	12/01/05 - 12/31/05	159,712.00	14,398.33	127,769.60	14,398.33	31,942.40
2/14/2006	01/01/06 - 01/31/06	121,046.50	13,645.70	96,837.20	13,645.70	24,209.30
3/22/2006	02/01/06 - 02/28/06 <sup>2</sup>	222,760.50	31,104.37	222,760.50	31,104.37	-
		<u>\$ 1,225,993.00</u>	<u>\$ 110,169.49</u>	<u>\$ 1,169,841.30</u>	<u>\$ 110,169.49</u>	<u>\$ 56,151.70</u>

<sup>1</sup> Invoice reflects expert valuation testimony performed by NCA on behalf of the Debtor.

<sup>2</sup> Debtors inadvertently reimbursed NCA for 100% of fees and out-of-pocket expenses for this period.

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

In re: :  
: Chapter 11  
ATA Holdings, Corp., et al.,<sup>2</sup> : Case No. 04-19866  
: Jointly Administered  
: :  
Debtors. :

**COMBINED SECOND QUARTERLY AND FINAL APPLICATION OF NAVIGANT  
CAPITAL ADVISORS, LLC, FINANCIAL ADVISORS TO THE DEBTORS  
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and this Court's December 10, 2004 Order Granting Motion To (I) Approve Procedures For Billings 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 "Administrative Orders"), Navigant Capital Advisors, LLC ("NCA") hereby submits this combined second quarterly final application ("Combined Second Quarterly and Final Application") for an Order allowing and awarding it compensation for services rendered as Financial Advisors to ATA Holdings, Corp., et al. <sup>3</sup> (the "Debtors"), in an amount of \$1,225,993.00 together with reimbursement of NCA's actual and necessary expenses incurred in the amount of \$110,169.49 for the period commencing May 18, 2005 through and including February 28, 2006 (the "Final Application Period") and directing payment of such fees and expenses. Annexed to this Combined Second Quarterly and Final Application are:

(a) schedules setting forth all NCA's professionals and paraprofessionals who have performed services in these chapter 11 cases during the Final Application Period, the capacities in which each individual is employed, the hourly billing rate charged by NCA for services

<sup>3</sup> The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassador 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 C-8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. (04-19874)

performed by each individual, and the aggregate number of hours expended during the Final Application Period and the fees billed.

(b) schedules specifying the categories of expenses for which NCA is seeking reimbursement and the total amount for each expense category; and

(c) summaries of NCA time records billed during the Final Application Period.

In support of this Combined Second Quarterly and Final Application, NCA respectfully represents:

### **Jurisdiction**

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334, and 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 requested herein are section 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule B-2016-1 of the Local Bankruptcy Rules for the Southern District of Indiana.

### **Background**

2. The Debtors each filed a separate voluntary petition for relief under Chapter 11 of the Bankruptcy Code on October 26, 2004 (the “Petition Date”). The Debtors continue to operate their businesses as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Court, by order dated June 14, 2005, approved the Debtors’ application for authority to employ Navigant Capital Advisors, LLC to provide an Interim Chief Financial Advisor for the Debtors *nunc pro tunc* to May 18, 2005. A copy of the order is attached hereto as Exhibit "A".

### **Relief Requested**

3. In connection with services provided for the period December 1, 2005 through February 28, 2006 (the "Second Quarterly Application Period"), NCA incurred fees in the amount of \$503,519.00 and reasonable and necessary expenses in the amount of \$59,148.40. NCA seeks allowance and payment of \$503,519.00 for fees incurred and \$59,148.40 for reasonable and necessary expenses incurred during the Second Quarterly Application Period. Thus, NCA seeks allowance and payment in the total amount of \$562,667.40

4. In its Combined Second Quarterly and Final Application, NCA seeks allowance of \$1,225,993.00 fees for services rendered during the Final Application Period and reimbursement of \$110,169.49 for reasonable and necessary expenses incurred during the Final Application Period. Thus, NCA seeks allowance and payment in the total amount of \$1,336,162.49.

5. NCA has received neither payment nor promises of payment from any source for services rendered during the Final Application Period in connection with these cases, other than the amount indicated on the coversheet to this Combined Second Quarterly and Final Application and allowed pursuant to the Administrative Orders. There is no agreement or understanding between NCA and any other person for the sharing of any compensation to be received for services rendered by NCA in these cases.

6. All services for which compensation is requested by NCA pursuant to this Combined Second Quarterly and Final Application were performed for or on behalf of the Debtor in these cases.

### **Summary of Services Rendered**

7. NCA maintains detailed records of the time spent in the rendition of professional services to the Debtor during the Application Period. Attached hereto as Exhibits "B", "C", "D", "E", "F", "G", "H" and "I" and are incorporated herein by reference true and correct

copies of the monthly fee statements prepared for the services rendered in this case by NCA during the Final Application Period (the “Monthly Fee Statements”). The Monthly Fee Statements are in the same form regularly used by NCA to bill its clients for services rendered and includes the date that the services were rendered, a detailed, contemporaneous narrative description of the services, the amount of time spent for each service and the designation of the professional who performed the service.

8. As set forth on the schedules attached to this Combined Second Quarterly and Final Application, NCA rendered 3,636.6 hours of professional services during the Final Application Period, resulting in fees totaling \$1,225,993.00 and associated reasonable and necessary expenses totaling \$110,169.49.

9. The general areas in which NCA has rendered professional services to the Debtor during the Period may be broadly characterized as follows:

- Assisted in the development of bottoms-up income statement budget by operating unit.
- Analyzed various operational information related to the sale and leaseback of LRUs.
- Performed preliminary Fresh Start Accounting valuation assessment.
- Prepared and analyzed Ad Hoc financial analyses at the request of senior management.
- Provided valuation services in connection with business enterprise valuation analyses.
- Provided expert witness testimony related to the need for additional capital.
- Developed and managed cost reduction initiatives and identified additional areas of cost savings.
- Analyzed payments made in the 90 days prior to the bankruptcy filing in order to identify potential preference actions.
- Completed executory contract rejection/assumption analyses and calculated certain lease rejection claims.
- Analyzed unexpired leases and executory contracts.

- Analyzed proposed plan of reorganization and disclosure statement and participated in continuing negotiations of various issues related thereto.
- Prepared and participated in meetings with Debtor professionals and provided advice on various matters in the chapter 11 cases.
- Advised Debtor Professionals and Debtor Counsel on various financial aspects of the chapter 11 cases.
- Prepared and participated in meetings with professionals representing the Official Committee of Unsecured Creditors regarding periodic performance updates and addressed various information requests and prepared responses thereto.

10. The generality of the foregoing descriptions are amplified on a day-to-day basis by the Monthly Fee Statements attached as Exhibits "B", "C", "D", "E", "F", "G", "H" and "I".

11. On December 10, 2004 the Court entered the Administrative Order, which set forth a procedure for compensating professionals (on a quarterly basis) for 80% of fees and 100% of expenses incurred. The Administrative Order specifically provides that all fees and expenses received remain subject to the Court's final allowance. Thus, in this Combined Second Quarterly and Final Application, NCA seeks allowance of \$1,225,993.00 in fees and \$110,169.49 in expenses for a total allowance of \$1,336,162.49.

12. NCA, to date has received payment of fees and reimbursement of expenses in connection with financial advisory services provided to the Debtor in the aggregate amount of \$1,280,010.79 pursuant to the monthly billing process delineated in the Administrative Order.

#### **Statements of Navigant Capital Advisors, LLC**

13. No agreement or understanding prohibited by section 504 of the Bankruptcy Code exists between NCA and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall NCA

share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person in contravention of section 504 of the Bankruptcy Code. No agreement or understanding prohibited by 18 U.S.C. § 155 has been made by NCA.

14. Pursuant to Bankruptcy Rule 2016, NCA states that no payments have heretofore been made or promised to NCA for services rendered or to be rendered in any capacity in connection with these chapter 11 cases except as previously stated herein.



**WHEREFORE**, Navigant Capital Advisors, LLC hereby respectfully requests that this Court enter an order: (a) approving and allowing Compensation and Reimbursement of Expenses of Navigant Capital Advisors, LLC for its duly authorized, necessary and valuable service to ATA Holdings, Corp., et al. during the Final Application Period in the aggregate amount of \$1,336,162.49; (b) approving the amounts requested in this Combined Second Quarterly and Final Application and the amounts received from the First Quarterly Application on a final basis; (c) directing the Debtors to pay any unpaid amount of \$56,151.70 to Navigant Capital Advisors, LLC; and, (d) granting such other and further relief as this Court deems just and proper.

Dated: New York, New York

April 4, 2006

*/s/ James A. Peko*

---

James A. Peko  
Director  
Navigant Capital Advisors, LLC  
666 Third Ave, 27<sup>th</sup> Floor  
New York, NY 10017

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing Application was served by electronic mail on this 5<sup>th</sup> day of May, 2006, upon the Core Group, 2002 List and Appearance List.

/s/ Terry E. Hall

---