

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

In re:)	Chapter 11
)	
ATA AIRLINES, INC.)	Case No. 08-03675-BHL-11
)	
Debtor.)	

**DECLARATION OF STEVEN S. TUROFF IN SUPPORT OF
DEBTOR'S FIRST DAY MOTIONS**

Pursuant to 28 U.S.C. § 1746, STEVEN S. TUROFF declares and states as follows:

1. I am the President of The Renaissance Consulting Group, Inc., a firm based in Dallas, Texas specializing in turnaround management for companies involved in workouts and restructurings. I have been working in the restructuring business for twenty-seven (27) years. I have a Bachelors of Business Administration degree from Hofstra University. Since 1971, I have been a certified public accountant, licensed in the State of Texas. I have had experience working with financially troubled airlines. In 1981, I was elected Vice-President and Controller of Braniff Airways, Incorporated, became chief financial officer during its first bankruptcy case, and remained with Braniff until it was successfully reorganized and flight operations resumed in the Spring of 1984. From 2003 to 2006, I served as an independent director on the board of directors of a non-debtor subsidiary of Atlas Airlines, Inc. Effective March 14, 2008, I was employed by the Board of Directors of ATA Airlines, Inc. ("ATA" or the "Debtor") to serve as Chief Restructuring Officer.

2. The facts set forth in this Declaration, which is being submitted in connection with ATA's petition for relief under Chapter 11 of the United States Bankruptcy Code, are true based upon my information and belief. Since my employment, I have worked with the other officers and

directors of ATA to familiarize myself with the company's corporate structure, assets, operations and capital structure. I have also reviewed the Debtor's financial statements, business records and other relevant documents. All facts set forth herein are based on my independent review and investigation, as described above.

I. Introduction

3. The U.S. airline industry has been wracked by significant changes and pressures over the last several years. The competitive forces caused by airline deregulation in 1982, as well as market forces, have overwhelmed many airlines that prospered under regulation. Of the large pre-deregulation carriers, all but one – American Airlines – have been forced to seek bankruptcy protection. Some of these, such as Braniff and TWA, and now Aloha Airlines, sought protection more than once and have either ceased to exist or are now terminating operations. In addition to legacy carriers, the industry has been changed by the increasingly rapid growth of low cost carriers, such as Southwest, Airtran, Frontier and JetBlue. While these low cost carriers initially appeared to have a competitive advantage over the legacy carriers because of lower operating and labor costs and certain efficiencies of scale, recently even the low cost carriers have shown themselves to no longer be immune to market pressures such as sky rocketing fuel costs and rising labor costs. Recently, several low cost carriers, such as Independence Air and Aloha Airlines, have also been forced to seek bankruptcy protection.

II. History, Current Corporate Structure and Business of the Debtor

4. In 1973, J. George Mikelsons founded the precursor to ATA in Indianapolis, Indiana. As of 2004, ATA Holdings Corp. ("ATA Holdings"), the former parent of ATA, together with certain wholly-owned direct and indirect subsidiaries (including ATA) had become the tenth largest passenger airline in the United States. At the time, ATA was also one of the largest commercial

charter airlines in the United States, and one of the largest providers of passenger airline charter services to the U.S. military.

5. Beginning in 2001, ATA began suffering severe financial losses. These losses were exacerbated after the terrorist attacks of September 11, 2001. The causes of such losses included the geopolitical impact of conflict in the Middle East, generally weak economic conditions and substantially increased fuel costs. On October 26, 2004, ATA, together with its former parent, ATA Holdings, and certain other affiliated entities, filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Indiana. These cases were administratively consolidated under case number 04-19866 (the “First Bankruptcy Case”). ATA and certain affiliates emerged from bankruptcy protection on February 28, 2006, with a new capital structure. In general, a plan of reorganization was confirmed in the First Bankruptcy Case pursuant to which ATA and certain subsidiaries were substantively consolidated into the current reorganized ATA Airlines, Inc. ATA Holdings was not included in the substantive consolidation, and was administratively dissolved. New ATA Holdings, Inc. was formed and later became Global Aero Logistics, Inc. (“Global Aero”), the ultimate and current corporate parent of ATA.

6. Currently, the Debtor is a wholly owned subsidiary of New ATA Acquisition, Inc. (“ATA Acquisition”). ATA Acquisition is a wholly owned subsidiary of New ATA Investment, Inc. (“ATA Investment”) and ATA Investment is a wholly owned subsidiary of Global Aero. The remaining ATA affiliates that were not substantively consolidated in the First Bankruptcy Case were sold or otherwise liquidated. ATA Acquisition also owns another holding company subsidiary, World Air Holdings, Inc. (“World Air Holdings”), which it acquired through merger on August 14, 2007. World Air Holdings owns and operates two other airlines, North American Airlines and

World Airways. None of the World Air Holdings entities are involved in this case.

7. ATA is a corporation organized and existing under the laws of the State of Indiana. The Debtor's administration, flight operations and FAA-certified maintenance and engineering center are headquartered in Indianapolis, Indiana. As of the date of the filing of this Chapter 11 case, ATA was a diversified passenger airline operating in two principal business lines: a low cost carrier providing scheduled passenger service that leverages a code share agreement with Southwest Airlines ("Southwest") and a charter operator that focused primarily on providing charter service to the U.S. government/military.

8. As of the date of the filing of this Chapter 11 case, the Debtor provided military charter services through a contract with the United States Department of Defense's Air Mobility Command (the "AMC"). As of the date of the filing of this Chapter 11 case, the Debtor was the largest transporter of U.S. military personnel and their families to and from overseas deployments.

9. The U.S. Military, through the AMC, contracts with commercial airlines to provide nearly all of the airlift requirements for its personnel. Each year, the AMC grants a certain portion of its business to different airlines based on a point system. The number of points an airline can accrue is determined by the number and types of aircraft pledged to the Civil Reserve Air Fleet ("CRAF"). ATA currently participates in the CRAF program through a team arrangement with other airlines. By participating in CRAF, airlines are able to fly AMC charter missions, as well as contract with the General Services Administration ("GSA"), which purchases seats on their scheduled service flights.

10. Most major legacy airlines choose not to fly AMC charters, and instead, enter into team arrangements which allow them to monetize their unused entitlement points by receiving commissions from airlines, such as ATA, that fly on behalf of the teams. Currently, there are two

large teams, the Federal Express Team Arrangement (the “FedEx Team”) and the Alliance Team Arrangement (the “Alliance Team”), that in government fiscal year 2008, account for approximately 42% and 49%, respectively, of the entitlement points. ATA is a member of the FedEx Team. The teams allocate points from team members that do not fly AMC missions to other team members, such as ATA, and collect a commission on the charter revenues derived from those points. ATA and one other airline, Omni Air International, fly most of the passenger requirements of the FedEx Team.

11. In September 2006, ATA entered into a letter agreement with Federal Express Corporation (“FedEx”) under which ATA was to receive fifty percent (50%) of the FedEx Team’s share of the passenger airlift military business for government fiscal years ending September 30, 2007, 2008 and 2009 (the “FedEx Letter Agreement”). In fiscal year 2008, the approximate value of the FedEx Team’s total share of the airlift military business (passenger and cargo) was estimated to be over \$1 billion. In accordance with the FedEx Letter Agreement for government fiscal years 2007 and 2008, ATA was included in the FedEx Team and ATA performed its obligations as a member of that team.

12. On January 22, 2008, FedEx abruptly and unexpectedly notified ATA that despite the term of the FedEx Letter Agreement, FedEx would no longer permit ATA to be a member of the FedEx Team for flying AMC military charters for government fiscal year 2009. The unexpected termination of ATA from participating on the FedEx Team will result in the loss of substantially all of the Debtor’s AMC charter business. The Debtor’s longstanding participation in the FedEx Team accounts for the bulk of its charter business.

13. As of the date of the filing of this Chapter 11 case, the Debtor’s scheduled passenger service business was primarily designed around its code share arrangement with Southwest by which ATA sells seats on Southwest’s aircraft and Southwest is allowed to sell seats on ATA’s aircraft. At

the peak of its service after exiting from the First Bankruptcy Case, ATA operated scheduled passenger service of more than 45 daily flights from various western U.S. airports to Hawaii and over certain other routes. A significant portion of ATA's passengers purchased ATA tickets through Southwest distribution channels or connected to ATA flights through Southwest focus cities.

14. The Debtor's principal assets include a fleet of twenty-nine (29) certificated aircraft, three (3) of which are owned and the remainder of which are leased. These aircraft include twelve (12) Boeing 737-800, six (6) Boeing 757-200, four (4) Boeing 757-300, three (3) Lockheed L-1011-500, and four (4) McDonnell Douglas DC-10-30. Of these 29 aircraft, 28 are operational, and one L-1011 is currently in storage. The Debtor also owns and/or leases various spare engines and spare parts, including rotables, as well as three (3) other aircraft that are not on certificate.

15. Other remaining assets of the Debtor include several real property leases, including a lease on the Debtor's headquarters in Indianapolis, spare parts and miscellaneous equipment, some of which may be subject to various liens.

16. As of the commencement of this chapter 11 case, the Debtor employs 2,230 employees. Of these, 583 are based in Indianapolis, 183 are based in Dallas, 217 are based in New York, 636 are based in Chicago, 265 are based in Oakland, 215 are based in Phoenix, and 131 are based in eight other cities. The Debtor's annual payroll is approximately \$138 million.

17. The Debtor's current directors, and the capacities in which they serve as officers, are as follows:

Doug Yakola	Director and Sr. Vice President/Chief Operating Officer
Brian Hunt	Director and Sr. Vice President – Administration/General Counsel/Secretary
Steven S. Turoff	Director and Chief Restructuring Officer

III. Debt Structure

18. As more specifically set forth below, the Debtor has secured debt obligations in connection with a secured term facility obtained by its parent, ATA Acquisition, secured equipment obligations, and aircraft and other lease obligations.

A. Secured Debt to JPMorgan Chase Bank N.A.

19. In order to fund the acquisition of World Air Holdings and to refinance certain secured debt obligations of the Debtor (the "Financing"), on August 14, 2007, Global Aero's subsidiary, ATA Acquisition entered into a \$340 million senior secured payment-in-kind ("PIK") term loan agreement (the "Term Loan") with JPMorgan Chase Bank, N.A. ("JPMorgan") and Jefferies Finance LLC ("Jefferies") (collectively, the "Secured Lenders"). JPMorgan served and still serves as administrative agent. ATA and the other subsidiaries owned by ATA Acquisition, as well as Global Aero and ATA Investment, guaranteed the Term Loan. The Term Loan is secured by a lien on substantially all the assets of ATA, ATA Acquisition and the other guarantors.

20. In connection with the Financing, MatlinPatterson Global Opportunities Partners II, L.P. and certain of its affiliates ("MatlinPatterson") agreed to extinguish approximately \$54.3 million in outstanding indebtedness (including accrued interest) owed by ATA to MatlinPatterson in respect of borrowings under a \$24.2 million term loan and a \$28 million bridge loan (the "MP Loans") in exchange for Series A Preferred Stock issued by Global Aero. The MP Loans arose in connection with MatlinPatterson's investment in ATA pursuant to ATA's exit from the First

Bankruptcy Case. In addition to extinguishing the outstanding indebtedness under the MP Loans, MatlinPatterson also invested significant cash in Global Aero as part of the Financing.

21. As a result, the proceeds from, or exchanged for securities issued in, the Financing were used to repay or extinguish \$135.9 million in previously outstanding indebtedness, consisting of (i) the exchange for Series A preferred stock of \$54.3 million (including accrued interest) owed to MatlinPatterson in respect of borrowings under the MP Loans, and (ii) the repayment of \$81.6 million owed to the Air Transportation Stabilization Board (“ATSB”), International Lease Finance Corporation, Citibank, Boeing Capital Corporation and GECAS (the “ATSB Loan”), all as restructured in the First Bankruptcy Case. ATA was a borrower under both the MP Loans and the ATSB Loan.

B. Other Secured Debt

22. ATA has other miscellaneous secured debt in comparatively less material amounts. As of February 28, 2006, ATA entered into two 15 year capital leases for Boeing 757-200 aircraft with Babcock and Brown. ATA also has two outstanding nonrecourse notes payable to Fleet Bank (now Bank of America), having a combined outstanding balance as of March 31, 2008 of approximately \$650,000. Each note is collateralized by one Lockheed L-1011 aircraft. ATA has some additional secured notes which are collateralized by aircraft engines.

C. Lease Obligations

23. ATA leases aircraft and aircraft engines, office buildings, other ground facilities, including terminal space and maintenance facilities, and ground equipment. A detailed list of ATA’s capital aircraft and engine leases is attached to the Debtor’s Aircraft Motion, as defined and discussed in Section VII. L., herein.

IV. Labor and Pensions

24. As a certified air carrier engaged in interstate air transportation, ATA is subject to the Railway Labor Act (“RLA”), the federal statute that governs labor-management relations in the airline and railroad industries. Pursuant to the RLA, ATA has collective bargaining agreements with the following labor organizations which represent approximately 1,350 of ATA’s 2,230 employees in five (5) collective bargaining groups. These organizations are: (i) Air Line Pilots Association (“ALPA”); (ii) Association of Flight Attendants (“AFA”); (iii) Aircraft Mechanics Fraternal Association, International (“AMFA”); (iv) Transport Workers Union (“TWU”); and (v) International Association of Machinists (“IAM”).

25. ALPA represents ATA’s cockpit crewmembers, who account for approximately 24.4% of ATA’s total workforce, and are subject to a collective bargaining agreement which will become amendable on October 1, 2008.

26. AFA represents ATA’s flight attendants, who account for approximately 34.4% of ATA’s employees, and are subject to a collective bargaining agreement which will become amendable on October 3, 2008.

27. AMFA represents ATA’s mechanics, who account for approximately 3.8% of ATA’s employees, and are subject to a collective bargaining agreement which will become amendable on June 1, 2009.

28. ATA has a defined contribution 401(k) savings plan (the “401(k) Plan”) in which employees may elect to invest salary deferrals of up to \$15,500 or 25% of their salary in selected investment funds. It is a tax-qualified retirement plan under Section 401(k) of the Internal Revenue Code of 1986, as amended. For the year ended December 31, 2007, and the ten months ended December 31, 2006, ATA contributed matching funds to the 401(k) Plan equal to 65% of all

participants' voluntary deferrals up to 6% of eligible salary. ATA's expense for its contribution to the 401(k) Plan for the year ended December 31, 2007, and the ten months ended December 31, 2006, was approximately \$4.0 million and \$3.4 million, respectively.

29. ATA also sponsors a defined contribution plan for its cockpit crewmembers, the Cockpit Crewmember Money Purchase Plan ("CCMP") that is funded by ATA. During the First Bankruptcy Case, the cockpit members agreed to a suspension of ATA's contributions to the CCMP from October 1, 2005 through December 31, 2006, and thus no contributions were made to the CCMP during that period of time. Effective January 1, 2007, ATA recommenced its contributions to the CCMP. ATA's expense for its contributions to the CCMP for the year ended December 31, 2007, was approximately \$1.2 million.

V. Events Leading up to Chapter 11 Filings

30. ATA emerged from the First Bankruptcy Case as a smaller and more efficient airline. As with many in the industry, it continued to experience problems as a result of record breaking fuel costs and competition. For the year ended December 31, 2007, the Debtor's scheduled service generated \$402 million in operating revenue and the Debtor's military charter services generated \$335 million. For this same period, the Debtor's operating expenses for scheduled service were \$485 million and for military charter services were \$327 million. The Debtor's total operating loss for this time period was approximately \$75 million.

31. To address liquidity concerns relating to ATA's scheduled service business, ATA explored strategic opportunities including network restructuring, eliminating certain routes, international expansion, business combinations, shutting down entirely, and partial or complete divestiture. In order to maintain operations, it was necessary for ATA to borrow money from one of its affiliated airlines, World Airways.

32. As part of these efforts, ATA discontinued service on certain routes (Chicago to N.Y., Chicago to Washington, D.C. and Chicago to Honolulu) in November 2007 and January 2008, and announced additional route discontinuations for the Spring of 2008. On March 6, 2008, ATA announced that it would discontinue service at Chicago Midway Airport effective April 14, 2008 for domestic routes, and effective June 7, 2008, for international routes as a result of extreme financial pressure on ATA's scheduled service business. The aircraft previously used to service these routes were redeployed to ATA's commercial charter segment and AMC military charter, which was then terminated by FedEx.

33. As stated previously, on January 22, 2008, FedEx abruptly and unexpectedly notified ATA that FedEx would no longer permit ATA to be a member of the FedEx Team for flying AMC military charters for government fiscal year 2009. The unexpected termination of ATA from participating on the FedEx Team will result in the loss of substantially all of the Debtor's AMC charter business.

34. ATA had been making progress in working through its operational issues and was in the process of identifying additional sources of capital and potential business partners. However, the January 2008 cancellation by FedEx of a critical agreement for ATA's military charter business was an unanticipated blow which, with the scheduled service business already suffering, made the future viability of ATA suspect in the capital markets. ATA's future operating revenues will be significantly and negatively impacted by FedEx's unexpected termination of ATA's participation in the FedEx Team in violation of the FedEx Letter Agreement.

35. Notwithstanding ATA's efforts to make its operations more efficient, the losses ATA will sustain as a result of FedEx's actions terminating the FedEx Letter Agreement, coming on top of the operational losses from scheduled service and the shut down of the credit markets have

forced ATA, once again, to seek bankruptcy protection.

VI. Restructuring Efforts and Case Strategy

36. ATA does not seek Chapter 11 protection for the second time lightly. Effective March 14, 2008, I was employed as Chief Restructuring Officer for the purpose of analyzing the financial and business condition of ATA, and making and implementing recommendations regarding restructuring or termination of operations and liquidation. ATA has been actively seeking additional capital or loans from its stockholders and the Secured Lenders to enable ATA to continue operations and restructure, either without resorting to Chapter 11 or in a Chapter 11. Additionally, ATA has pursued numerous discussions with various third parties concerning business transactions that would allow ATA to continue as a going concern, either prior to or in a Chapter 11 case.

37. Specifically, starting in early December 2007, a financial advisory firm was retained to assess ATA's situation and assist with identifying potential business partners, purchasers and additional sources of liquidity in order to enable ATA to restructure its financial affairs and continue its operations. These efforts resulted in the identification of thirteen potential strategic buyers who might have had an interest in pursuing a business transaction with ATA. Ultimately, five of these parties entered into confidentiality agreements in order to pursue more detailed discussions. Negotiations and further discussions with these parties continued in earnest throughout the first quarter of 2008. Notwithstanding the best efforts of ATA to continue these discussions, these efforts were ultimately hampered by FedEx's unexpected termination of the FedEx Agreement. Discussions with potential acquirors, merger partners and financing sources have continued contemporaneous with the filing of this Chapter 11 case, and will continue to the extent possible.

38. ATA has made every effort to resolve the business and operational issues that have resulted in this filing. As set forth above, with respect to its scheduled passenger service, ATA

discontinued or limited flights on various routes. ATA has considered the sale of its scheduled service business, and other strategic transactions involving West Coast scheduled service. ATA has also explored alternatives to participating in the FedEx Team so as to enable it to continue its military charter operations.

39. Unfortunately, ATA has been unable to resolve its dispute with FedEx, and the above-described restructuring options could not be effectuated in a time frame sufficient to avoid the filing of this Chapter 11 case. The filing of the Chapter 11 case was approved as a last resort to attempt to preserve operations. However, due to ATA's financial and operational predicament, ATA's stockholders and the Secured Lenders will not provide additional capital or loans sufficient to maintain operations. Additionally, future revenues lost as a result of FedEx's refusal to include ATA in future team arrangements cannot be immediately replaced, all assets are pledged to the Secured Lenders, discussions for a business transaction concerning ATA are unlikely to result in a viable transaction, and no other prospects appear to be available in the time frame that would be needed to restructure or sell the operations as a going concern. Notwithstanding this, ATA had hoped that last ditch financing could be obtained post-filing, but that does not seem possible. Thus, it will be necessary to effectuate an orderly liquidation of ATA.

VII. First Day Relief Requested

40. The Debtor has filed concurrently with this Declaration, various “first day” applications and motions, as well as certain other motions which it seeks to have the Court determine on an expedited basis (collectively, the “First Day Motions”). I have read each of the First Day Motions, and the factual allegations set forth in the First Day Motions are incorporated herein by reference. The relief requested in the First Day Motions, as generally discussed below and as more fully set forth in the First Day Motions, will enable the Debtor to efficiently handle its chapter 11 case, efficiently shut down its operations and liquidate its assets, and minimize the disruption caused by such events on the public and ATA’s employees. Accordingly, the Debtor submits that the relief requested in the First Day Motions is necessary to avoid immediate and irreparable harm to the Debtor, its employees and its estate, is in the best interest of the Debtor’s creditors and employees, and should be granted.

A. Use of Cash Collateral

41. The Debtor has filed a *Motion For Interim Order Authorizing Use of Cash Collateral and Motion for Final Order Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363(c)(2)(B) and Fed. R. Bankr. P. 4001(b)* (the “Cash Collateral Motion”). The Debtor seeks to use Cash Collateral (as defined in the Cash Collateral Motion) in the total amount of \$24.935 million, as more fully set forth in the Twenty-Six Week Cash Flow Forecast (the “26 Week Forecast”) attached hereto as Exhibit A. As indicated in the 26 Week Forecast, and as more specifically set forth in the Cash Collateral Motion, during the period of the Interim Order, the Debtor seeks to use approximately \$2.1 million of Cash Collateral. The use of Cash Collateral is necessary to the orderly wind down of the Debtor’s business operations, and the Debtor will be irreparably harmed if it cannot use Cash Collateral as set forth in the 26 Week Forecast and the Cash Collateral Motion.

While I am not able to accurately assess the value of all ATA's assets at this time, I believe that the estimated liquidation value of the collateral owned by ATA that secures the obligations to the Secured Lenders is approximately \$50 million. The total debt owed to the Secured Lenders under ATA's guaranty of the Term Loan is approximately \$365 million (inclusive of accrued but unpaid interest).

B. Retention of Counsel and Other Professionals

42. The Debtor seeks orders authorizing the employment of Haynes and Boone, LLP ("Haynes and Boone") and Baker & Daniels LLP ("Baker & Daniels"). The Debtor seeks to employ and retain the law firm of Haynes and Boone as counsel for the Debtor, effective as of the Petition Date. The Debtor has selected Haynes and Boone as their lead bankruptcy counsel because Haynes and Boone, with a bankruptcy section of 31 attorneys, has extensive experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under Chapter 11 of the Bankruptcy Code. Haynes and Boone has expertise, experience, and knowledge practicing before bankruptcy courts throughout the United States, and also has extensive experience in the representation of airlines in Chapter 11 bankruptcy cases. Haynes and Boone's appearance before this Court for the matters in these Chapter 11 cases will be efficient and cost effective for the Debtor's estate.

43. Haynes and Boone is a full-service law firm with experience and expertise in all other legal areas that may arise during the Debtor's bankruptcy case, including corporate finance, labor, insurance, environmental, tax, ERISA, and litigation.

44. Haynes and Boone has expended significant resources over the last month working with the Debtor to prepare for this bankruptcy filing. In the process, Haynes and Boone has become extremely familiar with the Debtor's business operations and legal obligations to various creditor

constituencies. Haynes and Boone has participated in the negotiations with the Debtor's major secured creditor and with its equipment lessors. If the Debtor is required to retain counsel other than Haynes and Boone, the Debtor would incur additional expenses and delays associated with familiarizing new counsel with the intricacies of the Debtor's financial affairs and business operations.

45. The Debtor seeks to employ and retain the law firm of Baker & Daniels as co-counsel, effective as of the Petition Date. The Debtor has selected Baker & Daniels as its counsel bankruptcy counsel because Baker & Daniels has a long standing relationship with ATA, including having represented ATA in the First Bankruptcy Case. Therefore, the retention of Baker & Daniels will be cost effective and is in the best interests of the Debtor and the estate. I will work with both Haynes and Boone and Baker & Daniels to insure that there is minimal duplication of effort and that all matters are staffed appropriately.

46. The Debtor has also filed its *Application for Order Under 28 U.S.C. § 156(c) Authorizing the Retention of BMC Group as Claims Agent for the Debtor* (the "Claims Agent Application"). By the Claims Agent Application, the Debtor seeks the entry of an order under 28 U.S.C. § 156(c) and Local Rule B-1007-1 appointing BMC Group as its claims agent in this chapter 11 case.

47. The Debtor has selected BMC Group as its claims agent because BMC Group is one of the country's premier Chapter 11 administrators with experience in claims processing and claims reconciliation. BMC Group has substantial experience in the matters upon which it is to be engaged. BMC Group has acted as official claims agent in several cases in this and other judicial districts, and acted as claims agent and servicing agent for the Debtor in the First Bankruptcy Case.

48. By appointing BMC Group as the claims agent in this chapter 11 case, the Debtor's bankruptcy estate and particularly the creditors will benefit from BMC Group's significant experience in acting as a claims agent in other cases and the efficient and cost-effective methods that BMC Group has developed.

49. BMC Group is fully equipped to handle the volume involved in properly processing the claims of creditors and other interested parties in this chapter 11 case. BMC Group will follow the claim procedures that conform to the guidelines promulgated by the Clerk of the Bankruptcy Court and the Judicial Conference and as may be entered by order of this Court.

C. Motion to Establish Notice, Case Management and Administrative Procedures

50. The Debtor has filed its *First Day Motion for Order to Establish Notice, Case Management and Administrative Procedures* (the "Case Management Procedures Motion"). As more fully set forth in the Case Management Procedures Motion, the Debtor seeks to establish notice procedures and a Master Service List which would include and limit notice to the parties and entities set out in the Case Management Procedures Motion unless otherwise ordered by the Court or otherwise limited by the Bankruptcy Rules. By the Case Management Procedures Motion, the Debtor also seeks authorization for service of pleadings by electronic mail ("e-mail") and seeks to establish regularly scheduled omnibus hearings.

51. I believe the procedures sought to be established in the Case Management Procedures Motion will enable the Debtor to manage its case more efficiently, and will be beneficial and economical for both creditors and the Court.

D. Motion to Authorize Payment of Prepetition Trust Fund Taxes

52. The Debtor has filed its *First Day Motion for Authority to Pay Certain Prepetition Transportation, Sales, Use, Excise, and Other Trust Fund Taxes to Taxing Authorities* (the "Trust

Fund Taxes Motion”). As more fully set forth in the Trust Fund Taxes Motion, the Debtor seeks authority to pay to the relevant taxing authorities and other governmental entities certain Trust Fund Taxes (as defined in below) collected in the ordinary course of the Debtor’s business, including taxes for (a) domestic and international flights pursuant to Internal Revenue Code 4261; (b) the sale of frequent flyer miles; (c) property transported by air; and (d) various fees collected on behalf of other governmental agencies or third parties (the “Trust Fund Taxes”). These tax payments are held in trust accounts maintained by M&I Bank in the name of ATA (the “Tax Trust Accounts”). All funds in the Tax Trust Accounts are transferred into an overnight investment account maintained by M&I Bank in the name of ATA and returned the next day. The Trust Fund Taxes are taxes which must be paid to the relevant state and federal taxing authorities (the “Taxing Authorities”) irrespective of the bankruptcy. The Debtor requests authority to pay these prepetition Trust Fund Taxes. In connection with the Prepetition Wages Motion (as defined below), the Debtor further seeks authority to pay taxes withheld from employee salaries and to pay to the plan administrator all 401(k) payments made by employees.

53. The Debtor seeks authorization from this Court to pay all prepetition Trust Fund Taxes. The Debtor will file a report with the Court within sixty (60) days after the Petition Date reflecting the prepetition Trust Fund Taxes paid. In the event that the Debtor collects Trust Fund Taxes after the Petition Date, the Debtor will pay such taxes to the proper Taxing Authorities. Therefore, the Debtor also seeks this Court’s authority to pay any post-petition Trust Fund Taxes in the ordinary course of business.

E. Motion for Determination that Adequate Assurance has been Provided to Utilities

54. The Debtor has filed its *First Day Motion for Interim and Final Order Providing Adequate Assurance of Utility Payments* (the “Utilities Motion”). As more fully set forth in the

Utilities Motion, the Debtor seeks the entry of an interim order: (a) prohibiting utility companies (collectively, the “Utilities” or individually, a “Utility”) from altering, refusing, or discontinuing services to the Debtor on account of outstanding prepetition invoices pending entry of a final order; (b) authorizing and approving the amount and method by which the Debtor may furnish certain Utilities with adequate assurance of payment for post-petition utility services and directing the Utilities to continue providing such services pending entry of the final order, and (c) scheduling a final hearing on the Utilities Motion.

55. The relief requested in the Utilities Motion is in the best interests of the Debtor and its estate, and also protects the rights of the applicable Utilities.

F. Motion for Extension of Time to File Schedules and Statement of Financial Affairs and other Required Filings

56. The Debtor has filed its *Motion for Extension of the Deadlines to File (a) Certain Information Required by FRBP 1007(a)(1) and (b) Schedules of Assets and Liabilities, Statements of Financial Affairs, Statements of Unexpired Leases, and Schedules of Current Income and Expenditures* (the “Extension Motion”). As more fully set forth in the Extension Motion, the Debtor requests that this Court enter an order under Rules 1007(a)(5) and (c) of the Bankruptcy Rules extending to 60 days (a) the deadlines to file the information required under Bankruptcy Rule 1007(a)(1) (except for the corporate ownership statement) and (b) the 15 day period established by Bankruptcy Rule 1007(c) within which it must file its schedules of assets and liabilities, statements of financial affairs, statements of executory contracts and unexpired leases, and schedules of current income and expenditures (collectively, the “Statements and Schedules”).

57. In view of the amount of work entailed in completing such a project, as well as the size of the Debtor’s case and the number of its creditors and employees, the Debtor will not be able

to satisfactorily prepare the Statements and Schedules within time periods prescribed in Bankruptcy Rule 1007. Accordingly, the Debtor requests an extension of such time to 60 days.

58. In addition, because the Extension Motion is not a “First Day Motion” as defined in the Local Bankruptcy Rules, the Debtor has requested that the Extension Motion be heard on an expedited basis at the first day hearing. Allowing the Extension Motion to be heard at the first day hearing will allow for a swift determination of this issue, thereby freeing up important estate assets at a critical time in this bankruptcy case.

G. Motion to Pay Prepetition Wages, Salaries, Medical Benefits and Reimbursable Employee Expenses

59. The Debtor has filed its *First Day Motion for an Order (I) Authorizing, but not Directing, the Debtor to Pay Certain Prepetition Wages, Compensation, Reimbursements and Benefits and (II) Authorizing and Directing Applicable Banks and Other Financial Institutions to Process, and Pay All Checks Presented for Payment and to Honor All Funds Transfer Requests Made by the Debtor Relating to the Foregoing* (the “Prepetition Wages Motion”). By the Prepetition Wages Motion, the Debtor requests that this Court enter an order (i) authorizing, but not directing, the Debtor to pay certain prepetition wages, compensation, reimbursements and benefits; and (ii) authorizing and directing applicable banks and other financial institutions to process and pay all checks presented for payment and to honor all funds transfer requests made by the Debtor relating to the foregoing.

60. In addition, the Debtor seeks authorization to create funds, as described in the Prepetition Wages Motion, to provide for the post-petition payment of medical claims incurred by the Debtor’s employees prepetition and to provide for a post-petition period of medical coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”).

61. Permitting the Debtor to make the payments as set forth in the Prepetition Wages Motion will minimize the impact of this chapter 11 case on the Debtor's employees, and enable the continuing employees to assist the Debtor's management with the efficient wind down of the Debtor's business, thereby benefiting the Debtor's creditors.

H. Motion for Authority to Continue Use of Existing Bank Accounts and Business Forms and Maintain and Use Existing Cash Management System

62. The Debtor has filed its *First Day Motion for an Order Pursuant to Sections 105(a) and 364(c)(1) of the Bankruptcy Code Authorizing the Debtor to (I) Maintain and Use the Existing Bank Accounts and Business Forms and (II) Maintain and Use Existing Cash Management System* (the "Bank Account Motion"). By the Bank Account Motion, the Debtor requests that the Court enter an order (a) authorizing the continued use of existing bank accounts and business forms, including checks, and (b) authorizing the continued use of the existing cash management system, including the continued use of certain purchase cards. Requiring the Debtor to change its bank accounts, cash management systems and business forms would be costly and disruptive, and would not be beneficial to the Debtor's bankruptcy estate. The requested relief would allow the Debtor to use its existing bank accounts, cash management systems and business forms.

63. I understand that the Operating Guidelines and Reporting Requirements promulgated by the Office of the United States Trustee require that a chapter 11 debtor close its prepetition bank accounts and open new accounts. I understand that this requirement is designed to (a) provide a clear line of demarcation between prepetition and post-petition transactions and operations and (b) block the inadvertent payment of prepetition claims through the payment of checks drawn prior to the commencement of a chapter 11 case. The Debtor can achieve the goals of the Operating Guidelines without closing its existing accounts and opening new ones.

64. Requiring the Debtor to close all existing accounts and open new debtor-in-possession accounts would not be in the best interests of the bankruptcy estate. The exercise would be costly and disrupt the Debtor's ability to satisfy post-petition payables in a timely manner. It would also interfere with the efficient management of the Debtor's cash resources and distract Debtor's managers at a time when the business requires its full attention.

65. A similar waiver of the bank-account-closing requirement in the Debtor's case is necessary. Specifically, the Debtor requests that the existing Bank Accounts be deemed debtor-in-possession accounts and that their maintenance and continued use (in the same manner and with the same account numbers, styles and document forms (including checks) as during the prepetition period) be authorized, subject only to (a) designation of such accounts in the books and records of the Debtor and by the affected financial institution as debtor-in-possession accounts and (b) a prohibition against honoring prepetition checks without specific authorization from this Court. The Debtor will endeavor to advise all banks with whom they have disbursement accounts not to honor checks issued before the commencement of this Chapter 11 case, except as authorized by this Court. By so advising the banks, the Debtor will achieve the goals of the bank account closing requirement—(a) establishing a clear demarcation between prepetition and post-petition checks and (b) blocking the inadvertent payment of prepetition checks—without disrupting the Debtor's proceedings or its efforts to return crew members home.

66. In the ordinary course of business and before the Petition Date, the Debtor used the centralized cash management system, as described in the Bank Account Motion and similar to those utilized by other major corporate enterprises. The cash management system is designed to efficiently collect, transfer and disburse funds generated through the Debtor's operations and to

record accurately such collections, transfers and disbursements as they are made. All Accounts, except the Tax Trust Accounts, are subject to a control agreement in favor of JPMorgan.

67. The Debtor's cash management system, or a variation thereof, has been employed for a number of years and constitutes an ordinary course, essential business practice. The Debtor's centralized cash management system is beneficial to the Debtor, its bankruptcy estate and creditors because it enables the Debtor to reduce the administrative expenses involved in moving funds, to maintain accurate information regarding receipts, account balances and disbursements, to maintain an efficient process for the investment of cash, and to ensure compliance with the Debtor's accounting and disbursement control procedures.

68. In the ordinary course of its business, the Debtor issued purchase cards to various employees, including crewmembers, which permit the holder to charge expenses such as travel and lodging incident to their jobs (the "Purchase Cards"). The Purchase Cards are issued by National City Bank, limited to an aggregate outstanding balance of \$1 million, and are collateralized by a \$1 million deposit at National City Bank. The Debtor will need access to the Purchase Cards postpetition in order to pay for certain working capital needs and to assist certain crewmembers in purchasing travel accommodations to return to various locations. The Debtor seeks authority to continue using the Purchase Cards postpetition in accordance with the agreement with National City Bank.

69. The Debtor requests that the Court authorize the Debtor to continue to utilize its existing cash management system, authorize the payment of any costs or expenses associated with the maintenance of the cash management system, and authorize the Debtor to continue using the Purchase Cards.

I. Motion to Approve Employee Retention and Severance Program

70. The Debtor has filed its *Motion Under Bankruptcy Code Sections 105(a), 363(b) and 503(c)(3) for Authority to Implement Retention and Severance Program* (the “Retention and Severance Motion”). By the Retention and Severance Motion, the Debtor seeks the entry of an order authorizing the Debtor to implement a retention and severance program (the “Retention Plan”) for certain of its employees who are vital to the operations and the wind-down of the Debtor’s business operations. The Debtor also requests authority to pay, in its sole discretion and without further order of the Court, amounts earned and due under the Retention Plan as authorized by this Court.

71. The implementation of a retention and severance program is vital to retain and motivate employees whose services and knowledge will be necessary to the Chapter 11 process. The Retention Plan is designed to ensure that the Debtor can wind-down its operations properly, prudently, and as efficiently as possible by encouraging individuals to complete specified wind-down tasks. The Debtor believes that the Retention Plan is vital to the success for wind-down in a manner that maximizes the value of the Debtor’s bankruptcy estate.

72. The Debtor proposes to implement the Retention Plan with respect to the non-insider employees who will be retained post-petition to assist with the wind-down and the overall bankruptcy process. The Retention Plan is described in detail in the Retention and Severance Motion.

73. In addition, because the Retention and Severance Motion is not a “First Day Motion” as defined in the Local Bankruptcy Rules, the Debtor has requested that the Retention and Severance Motion be heard on an expedited basis at the first day hearing. Allowing the Retention and Severance Motion to be heard at the first day hearing will allow for a swift determination of this issue and ensure that essential employees remain with the Debtor during the bankruptcy.

J. Motion Authorizing Debtor to Employ and Compensate Professionals Utilized in the Ordinary Course of Business

74. The Debtor has also filed a *Motion for Authorization to Employ and Compensate Certain Professionals Used in the Ordinary Course of Business* (the “Ordinary Course Motion”). The Ordinary Course Motion seeks authority for the Debtor to employ and compensate certain professionals historically used by the Debtor in the ordinary course of its business (the “Ordinary Course Professionals”) pursuant to Bankruptcy Code Sections 327 and 328. The Debtor desires to continue to employ the Ordinary Course Professionals to render many of the services to its bankruptcy estate similar to those services rendered prepetition. These professionals render a wide range of legal, tax, real estate, finance, insurance, and other services for the Debtor that impact the Debtor’s business.

75. The procedures for the retention and payment of Ordinary Course Professional is more specifically described in the Ordinary Course Motion.

K. Motion to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Professionals

76. The Debtor has filed its *Motion for an Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* (the “Interim Compensation Motion”). By the Interim Compensation Motion, the Debtor requests that this Court enter an order pursuant to Bankruptcy Code Sections 105(a) and 331 and Local Rule B-2014-1 establishing an orderly, regular process for interim approval and payment of compensation and reimbursement to attorneys and other professionals whose services are authorized by this Court under Bankruptcy Code Sections 327 and 1103 and who will be required to file applications for allowance of compensation and reimbursement of expense. In this way, the Court and all other parties can more effectively monitor the fees and expenses incurred by professionals, and the Debtor will be able to spread out its payments of professional fees, rather than suffer large deductions to its cash flows on an irregular basis. The contemplated procedures will also allow the Court and the interested parties in interest to ensure the reasonableness and necessity of the compensation and reimbursement sought pursuant to such procedures.

77. The efficient administration of the Chapter 11 case will be significantly aided by establishing the procedures. Accordingly the relief is in the best interests of the Debtor, its estate and creditors.

78. In addition, because the Interim Compensation Motion is not a First Day Motion as defined in the Local Bankruptcy Rules for the Southern District of Indiana, the Debtor has requested that the Interim Compensation Motion be heard on an expedited basis at the first day hearing. Allowing the Interim Compensation Motion to be heard at the first day hearing will allow for a swift determination of this issue, thereby freeing up important estate assets at a critical time in this

bankruptcy case.

L. Motion for Authority to Reject Debtor's Aircraft Leases

79. The Debtor has filed its *First Day Motion Under Bankruptcy Code Section 365 for Authority to Reject Certain Aircraft and Spare Engine Leases* (the "Aircraft Motion"). The Debtor operates a diverse fleet of commercial aircraft that are subject either to secured debt or lease financing arrangements. After analyzing its fleet schedules and aircraft fleet, the projected demand for air travel, maintenance requirements, labor costs, operating costs and other business goals and objectives, the Debtor determined, after the filing of this case, that it will cease operations. Accordingly, the Debtor no longer requires the use of its aircraft (both airframes and engines, (the "Aircraft") and certain of its spare engines (the "Spare Engines"), which are under existing lease or debt terms that are not beneficial to the estate. As more specifically set forth in the Aircraft Motion, the Debtor requests the entry of an order authorizing the Debtor to reject, effective as of the Petition Date, the leases relating to the Aircraft and Spare Engines under Bankruptcy Code Section 365. The Debtor will evaluate its owned Aircraft and remaining Spare Engines in the next few weeks and enter into discussions with the applicable secured creditors as to the appropriate action to be taken in regards to the owned Aircraft and Spare Engines.

VIII. Conclusion

80. The relief sought in the Debtor's First Day Motions are all in the best interests of the Debtor's estate, its employees and its creditors, and will assist the Debtor in efficiently handling this chapter 11 case. I declare under penalty of perjury that the foregoing is true and correct.

Signed on this 3rd day of April, 2008.

/s/ Steven S. Turoff
Steven S. Turoff
Chief Restructuring Officer
ATA Airlines, Inc.

EXHIBIT A

Confidential and subject to change

ATA Airlines
 26 Week Cash Forecast
 2-Apr-08
 Confidential

	W/E 4-Apr	W/E 11-Apr	W/E 18-Apr	W/E 25-Apr	W/E 2-May	W/E 9-May
Receipts						
Military	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter						
Scheduled Service						
US Bank						
Amex						
Discover						
Diner's Club						
Other Scheduled Service						
Asset Sales--Inventory						
Asset Sales--Ground Equipment						
Asset Sales--Rotables						
Return of Deposits/Prepays					400,000	400,000
Cash Collateral/LOCs				850,000		-
Interest				56,487		
Miscellaneous				327,888	273,000	
Total	\$ -	\$ -	\$ -	\$ 1,234,375	\$ 673,000	\$ 400,000
Disbursements						
Base Payroll	\$ -	\$ 152,420	\$ -	\$ 762,099	\$ -	\$ 759,791
Stay Bonus		-		1,385		756,522
Benefits		84,500		52,500		30,000
Payroll Taxes		17,528		87,801		174,376
Employee Expense Payments				500,000		
Facilities				401,104	325,129	
Utilities			105,000	46,700		
Communications			336,500	49,500		
Professional Fees					800,000	
Professional Fees--Ord. Course						
Aircraft Ferry Cost		355,900	355,900	177,950	177,950	
Engine Changes		200,000	200,000	100,000	100,000	
Insurance--D&O						550,000
Health Insurance Run-off Reserve				1,000,000	1,500,000	
Cobra Reserve				300,000	5,500,000	
Security			50,000	10,000		10,000
Shipping/Cargo			50,000	75,000	50,000	15,000
Miscellaneous	50,000	50,000	50,000	50,000	50,000	50,000
Total	\$ 50,000	\$ 860,348	\$ 1,147,400	\$ 3,614,038	\$ 9,063,079	\$ 1,795,689
Cash						
Beginning Balance	\$ 23,600,816	\$ 23,550,816	\$ 22,690,468	\$ 21,543,068	\$ 19,163,405	\$ 10,773,326
Receipts	-	-	-	1,234,375	673,000	400,000
Disbursements	(50,000)	(860,348)	(1,147,400)	(3,614,038)	(9,063,079)	(1,795,689)
Ending Balance	\$ 23,550,816	\$ 22,690,468	\$ 21,543,068	\$ 19,163,405	\$ 10,773,326	\$ 9,377,637

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ATA Airlines
26 Week Cash Forecast
2-Apr-08
Confidential

	W/E 16-May	W/E 23-May	W/E 30-May	W/E 6-Jun	W/E 13-Jun	W/E 20-Jun	W/E 27-Jun	Total 13 Weeks
Receipts								
Military	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 3,000,000
Charter								-
Scheduled Service								-
US Bank	1,162,000							1,162,000
Amex	252,000							252,000
Discover	60,000							60,000
Diner's Club								-
Other Scheduled Service								-
Asset Sales--Inventory								-
Asset Sales--Ground Equipment								-
Asset Sales--Rotables								-
Return of Deposits/Prepays	400,000	400,000	400,000	-	200,000	200,000	200,000	2,600,000
Cash Collateral/LOCs				-	-	-	250,000	1,100,000
Interest		26,111				32,279		114,876
Miscellaneous			273,000				273,000	1,146,888
Total	\$ 1,874,000	\$ 1,426,111	\$ 673,000	\$ 1,000,000	\$ 200,000	\$ 1,232,279	\$ 723,000	\$ 9,435,764
Disbursements								
Base Payroll	\$ -	\$ 290,894	\$ -	\$ 290,894	\$ -	\$ 168,907	\$ -	\$ 2,425,004
Stay Bonus				266,797				1,024,704
Benefits		29,500		12,000		11,500		220,000
Payroll Taxes		33,453		64,134		19,424		396,716
Employee Expense Payments								500,000
Facilities			91,685				76,533	894,451
Utilities		39,001				36,195		226,896
Communications		25,500				25,500		437,000
Professional Fees						1,300,000		2,100,000
Professional Fees--Ord. Course						84,200		84,200
Aircraft Ferry Cost								1,067,700
Engine Changes								600,000
Insurance--D&O								550,000
Health Insurance Run-off Reserve								2,500,000
Cobra Reserve								5,800,000
Security	10,000	7,500	7,500	5,000	5,000	5,000	5,000	125,000
Shipping/Cargo	10,000							200,000
Miscellaneous	50,000	50,000	50,000	50,000	50,000	50,000	50,000	650,000
Total	\$ 70,000	\$ 475,848	\$ 149,185	\$ 688,825	\$ 55,000	\$ 1,700,727	\$ 131,533	\$ 19,801,671
Cash								
Beginning Balance	\$ 9,377,637	\$ 11,181,637	\$ 12,131,900	\$ 12,655,715	\$ 12,966,890	\$ 13,111,890	\$ 12,643,442	\$ 23,600,816
Receipts	1,874,000	1,426,111	673,000	1,000,000	200,000	1,232,279	723,000	9,435,764
Disbursements	(70,000)	(475,848)	(149,185)	(688,825)	(55,000)	(1,700,727)	(131,533)	(19,801,671)
Ending Balance	\$ 11,181,637	\$ 12,131,900	\$ 12,655,715	\$ 12,966,890	\$ 13,111,890	\$ 12,643,442	\$ 13,234,909	\$ 13,234,909

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ATA Airlines
 26 Week Cash Forecast
 2-Apr-08
 Confidential

	W/E 4-Jul	W/E 11-Jul	W/E 18-Jul	W/E 25-Jul	W/E 1-Aug	W/E 8-Aug	W/E 15-Aug	W/E 22-Aug	W/E 29-Aug
Receipts									
Military Charter Scheduled Service		\$ 1,000,000		\$ 1,000,000		\$ 1,000,000		\$ 1,000,000	
US Bank									
Amex									
Discover									
Diner's Club									
Other Scheduled Service									
Asset Sales--Inventory		1,000,000		1,000,000		1,000,000		1,000,000	
Asset Sales--Ground Equipment			-		-		1,000,000		
Asset Sales--Rotables			1,000,000		1,000,000				1,000,000
Return of Deposits/Prepays	200,000			-				-	
Cash Collateral/LOCs	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Interest				37,310				52,166	
Miscellaneous		200,000		200,000		200,000		300,000	
Total	450,000	2,450,000	1,250,000	2,487,310	1,250,000	2,450,000	1,250,000	2,602,166	1,250,000
Disbursements									
Base Payroll	168,907		83,990		53,784		53,784		44,985
Stay Bonus	120,209		19,087		-		40,476		-
Benefits	10,000	-	7,000	-	7,000	-	6,000	-	6,000
Payroll Taxes	33,248	-	11,854	-	6,185	-	10,840	-	5,173
Employee Expense Payments									
Facilities	-	-	-	76,533	-	-	-	76,533	-
Utilities				36,490				35,449	
Communications				25,500				25,500	
Professional Fees			900,000				800,000		
Professional Fees--Ord. Course			84,200				84,200		
Aircraft Ferry Cost									
Engine Changes									
Insurance--D&O		-		-		-		-	
Health Insurance Run-off Reserve									
Cobra Reserve									
Security	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Shipping/Cargo									
Miscellaneous	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	387,365	55,000	1,161,130	193,523	121,970	55,000	1,050,300	192,482	111,159
Cash									
Beginning Balance	\$ 13,234,909	\$ 13,297,544	\$ 15,692,544	\$ 15,781,414	\$ 18,075,201	\$ 19,203,231	\$ 21,598,231	\$ 21,797,931	\$ 24,207,615
Receipts	450,000	2,450,000	1,250,000	2,487,310	1,250,000	2,450,000	1,250,000	2,602,166	1,250,000
Disbursements	(387,365)	(55,000)	(1,161,130)	(193,523)	(121,970)	(55,000)	(1,050,300)	(192,482)	(111,159)
Ending Balance	\$ 13,297,544	\$ 15,692,544	\$ 15,781,414	\$ 18,075,201	\$ 19,203,231	\$ 21,598,231	\$ 21,797,931	\$ 24,207,615	\$ 25,346,456

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ATA Airlines
 26 Week Cash Forecast
 2-Apr-08
 Confidential

	W/E 5-Sep	W/E 12-Sep	W/E 19-Sep	W/E 26-Sep	Totals Weeks 14--26	Total 26 weeks
Receipts						
Military	\$ 1,000,000				5,000,000	\$ 8,000,000
Charter					-	-
Scheduled Service					-	-
US Bank					-	1,162,000
Amex					-	252,000
Discover					-	60,000
Diner's Club					-	-
Other Scheduled Service					-	-
Asset Sales--Inventory	1,000,000		2,000,000		7,000,000	7,000,000
Asset Sales--Ground Equipment		1,000,000			2,000,000	2,000,000
Asset Sales--Rotables		1,000,000		1,000,000	5,000,000	5,000,000
Return of Deposits/Prepays					200,000	2,800,000
Cash Collateral/LOCs	250,000	250,000	250,000	250,000	3,250,000	4,350,000
Interest				74,524	164,000	278,876
Miscellaneous	300,000		300,000		1,500,000	2,646,888
Total	2,550,000	2,250,000	2,550,000	1,324,524	24,114,000	33,549,764
Disbursements						
Base Payroll		44,985		89,971	540,407	2,965,411
Stay Bonus		-		55,496	235,267	1,259,971
Benefits	-	6,000	-	6,000	48,000	268,000
Payroll Taxes	-	5,173	-	16,729	89,203	485,919
Employee Expense Payments					-	500,000
Facilities	-	-	-	76,533	229,599	1,124,050
Utilities					71,939	298,835
Communications					51,000	488,000
Professional Fees		100,000	500,000	600,000	2,900,000	5,000,000
Professional Fees--Ord. Course		84,200			252,600	336,800
Aircraft Ferry Cost					-	1,067,700
Engine Changes					-	600,000
Insurance--D&O	-		-		-	550,000
Health Insurance Run-off Reserve					-	2,500,000
Cobra Reserve					-	5,800,000
Security	5,000	5,000	5,000	5,000	65,000	190,000
Shipping/Cargo					-	200,000
Miscellaneous	50,000	50,000	50,000	50,000	650,000	1,300,000
Total	55,000	295,359	555,000	899,728	5,133,015	24,934,687
Cash						
Beginning Balance	\$ 25,346,456	\$ 27,841,456	\$ 29,796,097	\$ 31,791,097	\$ 13,234,909	\$ 23,600,816
Receipts	2,550,000	2,250,000	2,550,000	1,324,524	24,114,000	33,549,764
Disbursements	(55,000)	(295,359)	(555,000)	(899,728)	(5,133,015)	(24,934,687)
Ending Balance	\$ 27,841,456	\$ 29,796,097	\$ 31,791,097	\$ 32,215,893	\$ 32,215,893	\$ 32,215,893