

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:)	Chapter 11
)	
ATA Holdings Corp., et al., ¹)	Case No. 04-19866
)	(Jointly Administered)
Debtors.)	

MOTION FOR AUTHORITY TO EXECUTE AIRCRAFT CHARTER AGREEMENT
(Ambassador Travel Club, Inc. and TransMeridian Airlines)

Ambassador Travel Club, Inc. ("Ambassador") one of the debtors and debtors in possession (collectively, the "Debtors") in the above captioned chapter 11 cases (the "Chapter 11 Cases"), hereby files this motion (the "Motion") for entry of an order authorizing but not directing Ambassador to execute the All-In Aircraft Charter Agreement, contract # 167-05 ("Charter" a redacted copy of which is attached as Exhibit 1) with TransMeridian Airlines, Inc. ("TransMeridian") under which Ambassador will charter a McDonnell-Douglas Model MD-83 aircraft ("Charter Aircraft") for use in its travel club business.

In support of this Motion, Ambassador states as follows:

Jurisdiction

1. On October 26, 2004 (the "Petition Date"), each of the Debtors filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Bankruptcy Court"), its respective voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. as amended (the "Bankruptcy Code") commencing these Chapter 11 Cases. The Debtors continue to operate their businesses and

¹ 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 Chicago Express Airlines, Inc. (04-19874).

manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. No trustee has been appointed. On November 1, 2004, the United States Trustee appointed an official committee of unsecured creditors (the "UCC") pursuant to § 1102(a)(1) of the Bankruptcy Code.

3. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

4. The statutory predicates for the relief sought herein are Bankruptcy Code §§ 105(a) and 363 and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

The Proposed Charter

5. Ambassadair is a travel club offering charter vacation trips to its members. These charters are flown out of the Indianapolis International Airport. Ambassadair has in the past been provided an aircraft for these trips by ATA Airlines, Inc. ("ATA"). ATA has determined that the use of its aircraft for scheduled service provides a better return to the estates than continuing to provide charters to Ambassadair. Moreover, with the decision by ATA to reduce the number of flights in Indianapolis, the cost of chartering an ATA aircraft would be increased by the cost of ferrying an airplane to Indianapolis. These business decisions by ATA have caused Ambassadair to seek charter opportunities outside of ATA.

6. Following lengthy arms length negotiations, Ambassadair has determined that the terms of the Charter offered by TransMeridian represents an economical solution to its needs for chartering aircraft. Under the Charter, Ambassadair will have use of the Charter

Aircraft beginning June 1, 2005 and continuing through December 31, 2005. The Charter may be extended upon notice and subject to further negotiations of price and rate.

7. Ambassadair requests that the Court authorize but not direct Ambassadair to execute the Charter as an exercise of Ambassadair's sound business judgment.

8. Section 363(b)(1) of the Bankruptcy Code provides that a debtor in possession may, after notice and a hearing, use, sell, or lease property of the estate outside the ordinary course of business. A debtor in possession may sell, use, or lease property outside the ordinary course of business after notice and a hearing if the debtor in possession has an "articulated business justification." In re Schipper, 933 F.2d 513, 515 (7th Cir. 1991).

9. Ambassadair has a clearly "articulated business justification" for seeking authority to execute the Charter. In Ambassadair's sound business judgment, the Charter will allow Ambassadair to fulfill its obligations to its members in a manner that contributes to the economic health of Ambassadair, providing value to its estate and its creditors.

No Prior Request

10. No prior motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, Ambassadors requests that the Court enter an order authorizing but not directing Ambassadors to execute the Charter and for all other just and proper relief.

Respectfully submitted,

BAKER & DANIELS

By: /s/ Terry E. Hall

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 3rd day of May, 2005, by electronic mail, facsimile, hand delivery or overnight mail on the Core Group, 2002 List, Appearance List and TransMeridian.

/s/Terry E. Hall