

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.)	

**AFFIDAVIT OF JEFFREY S. CRAINE IN SUPPORT
OF THE DEBTORS' APPLICATION FOR AUTHORITY
TO EMPLOY SKYWORKS *NUNC PRO TUNC* TO MAY 6, 2005**

Jeffrey S. Craine, under the penalty of perjury, says:

1. I am a Senior Vice President of SkyWorks Capital, LLC, which firm maintains offices in the town of Greenwich, Connecticut.
2. I submit this affidavit in support of the ATA's Application For Authority To Employ SkyWorks *Nunc Pro Tunc* To May 6, 2005 (the "Application"). Except as indicated below, I have personal knowledge of the following facts and, if called and sworn as a witness, I could and would competently testify thereto. This affidavit is made pursuant to sections 327 and 329 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").
3. Insofar as I have been able to ascertain after due diligence, neither I; any principal, director, or senior executive; nor any employee of SkyWorks Capital LLC or SkyWorks Securities LLC (collectively "SkyWorks") has any connection with the above-captioned debtors and debtors in possession, their creditors, or any other party in interest, or their attorneys or accountants, except as set forth in this affidavit.

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),

4. On October 26, 2004 (the "Petition Date"), ATA Airlines, Inc. ("ATA") and the other above captioned debtors and debtors in possession (the "Debtors") commenced their reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

5. ATA has requested, and SkyWorks has agreed to provide financial advisory services in conjunction with ATA's fleet restructuring pursuant to the terms of the engagement letter executed between SkyWorks and ATA on or around May 6, 2005, and submitted as Exhibit A to the Application (the "Engagement Letter").

SkyWorks' Qualifications

6. SkyWorks is an investment banking and financial advisory firm based in Greenwich, Connecticut. Its professionals have over 100 years of combined experience in investment banking and finance-related management positions at commercial airlines. SkyWorks routinely provides restructuring advisory services and counsels clients with respect to mergers and acquisitions, corporate finance and asset-based finance. Present and former clients of SkyWorks include various secured creditors of Air Canada, AirTran Airways, American Airlines, Frontier Airlines, Jet Blue Airways, Independence Air, and a number of other companies within the airline industry. SkyWorks was also employed by the Atlas Air Unsecured Creditors' Committee.

7. SkyWorks is prepared to render the necessary professional services as consultant to ATA.

American Trans Air Execujet, Inc. (04-19872), ATA Cargo, Inc. (04-19873), and Chicago Express Airlines, Inc. (04-19874).

Services to be Provided by SkyWorks

8. ATA has requested, and SkyWorks has agreed to provide ATA with independent financial advice, to include strategic advice and advising ATA in its fleet restructuring process in these chapter 11 cases pursuant to the Bankruptcy Code. More specifically, ATA has requested, and SkyWorks proposes, to render the following services, without limitation, to or on behalf of ATA:

- familiarize itself with ATA's overall business plan as well as its fleet plan and provide guidance and feedback to ATA as to what may be required by aircraft financiers who may seek to finance or lease aircraft to ATA;
- advise ATA regarding the market for specific aircraft types which ATA is targeting for the Aircraft Acquisition Program and assist ATA in determining which aircraft types will meet its business plan and fleet plan objectives and develop alternatives or creative solutions to help ATA achieve those objectives;
- provide ATA, from time to time, with advice about fleet planning and operations;
- familiarize itself with the Aircraft specifications that ATA would seek to obtain in order to better define its search for the Aircraft;
- develop, with the assistance of ATA, a request for proposals and/or information memorandum ("RFP") for potential lessors, sellers and/or financiers of the Aircraft. This RFP will include materials detailing ATA's business plan and fleet plan for targeted lessors and financiers;
- upon receipt and its acceptance by SkyWorks of a Written Directive, identify and approach lessors, sellers and/or financiers of the aircraft types and quantities identified in such Written Directive on behalf of ATA;
- assist in the negotiation of letters of intent ("LOIs"), in conjunction with ATA and its legal advisors, for Aircraft to be acquired under the Aircraft Acquisition Program through either leases or purchases/financings; and
- assist in the negotiation of formal documentation, in conjunction with ATA and its legal advisors, for Aircraft to be acquired under the

Aircraft Acquisition Program through either leases or purchases/financings.

9. I understand that the Debtors have retained the services of a general consultant, Huron Consulting Group, LLC ("Huron") and are also seeking to employ the consulting firm of Simat, Helliesen and Eichner, Inc. ("SH&E"). I do not expect that there will be duplication in the services to be rendered to ATA by Huron and SH&E, and I will make reasonable efforts to avoid duplication of the work performed by Huron and SH&E except where requested by ATA as part of our services under the Engagement Letter.

Payment of Fees and Expenses

10. Subject to the Court's approval, SkyWorks intends to charge fees and seek reimbursement of expenses as set forth in the Engagement Letter.

11. SkyWorks will charge and bill for monthly retainer fees and certain success fees, plus reasonable out-of-pocket expense upon bills presented to ATA and as ordered by the Court, all as provided for specifically in the Engagement Letter.

12. SkyWorks requests that ATA reimburse it for its fees and expenses, subject to the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Bankruptcy Local Bankruptcy Rules of the United States Bankruptcy Court for the Southern District of Indiana, the Bankruptcy 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 "Interim Compensation Order") and the Bankruptcy Court's December 21, 2004, Order Supplementing Rule B-2016-1, except as modified herein.

13. I believe that the fee structure outlined above and provided for in the Engagement Letter is fair and reasonable and should be approved under section 328(a) of the Bankruptcy Code. I submit that such fee structure appropriately reflects the nature of the services to be provided by SkyWorks and the fee structures typically utilized by professional services firms for similar work. Furthermore, SkyWorks' compensation as outlined herein is fair and reasonable in light of (a) industry practice, (b) market rates charged for comparable services both in and out of the chapter 11 context, and (c) SkyWorks' experience with respect to these services.

14. Notwithstanding the approval of the compensation requested herein, and as modified in the Application, I understand that all of SkyWorks' fees in this case will be subject to approval of the Court upon proper application by SkyWorks in accordance with Sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, fee and expense guidelines established by the U.S. Trustee, the Interim Compensation Order and the Bankruptcy Court's December 21, 2004 Order Supplementing Rule B-2016-1. Pursuant to section 328 of the Bankruptcy Code, however, I understand that the Court may not subsequently allow SkyWorks' compensation on terms different from the approved fee structure outlined above unless such compensation "prove[s] to have been improvident in light of development not capable of being anticipated at the time" such fee structure originally was approved. 11 U.S.C. §328(a).

Disclosure Concerning Possible Conflicts

15. Except as set forth below, to the best of the my knowledge, information, and belief, SkyWorks and all of the professionals comprising or employed by it are disinterested persons who do not hold or represent an interest adverse to the Debtors and who do not have any connection with the Debtors, their creditors, or any other party in interest in these

administratively consolidated cases, or their respective attorneys or accountants. In addition, neither SkyWorks nor any of the professionals employed by it have any connections with the United States Trustee or any person employed in the Office of the United States Trustee for the District of Indiana.

16. To check and clear potential conflicts of interest in this case, and based upon information known on or near the date of this Application, employees of SkyWorks, under my supervision, researched its client database to determine whether it had any connections with the following entities (collectively, the “Interested Parties”):

- Debtors and their attorneys;
- Debtors’ Other Professionals retained in connection with the Chapter 11 proceeding;
- Non-Debtors Affiliates;
- Debtors’ Officers and Directors;
- Debtors’ and Debtors’ Affiliates’ Major Shareholders;
- Members of the Official Committee of Unsecured Creditors and its attorneys and professionals;
- Twenty Largest Unsecured Creditors (as of the Petition Date); and
- Parties to the Debtors’ Significant Executory Contracts and Leases


17. The identities of the Interested Parties were provided to SkyWorks by the Debtors and other sources and are set forth on the schedule attached hereto as Exhibit A. Except as disclosed herein, SkyWorks does not have any connections with any Interested Party, and SkyWorks has not, does not, and will not represent any Interested Party with respect to matters related to the Debtors’ chapter 11 case.

18. Moreover, to the best of my knowledge, information, and belief, SkyWorks and all of the professionals comprising or employed by SkyWorks:

- are not and have not been an equity security holder or an insider of the Debtors;
- are not and have not been an investment banker for any outstanding security of the Debtors;
- are not and have not been an investment banker for a security of the Debtors, or an attorney for such an investment banker in connection with the offer, sale or issuance of any security of the Debtors;
- are not and have not been a director, officer or employee of the Debtors or of any investment banker for any security of the Debtors;
- subject to the disclosures contained herein, have no interest materially adverse to the interest of the estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or an investment banker for any security of the Debtors, or for any other reason; and
- have no connections with the United States Trustee or any person employed in the office of the United States Trustee for the District of Indiana.

19. If, subsequent to the filing of this Application, SkyWorks discovers additional information that it determines requires disclosure, SkyWorks will file a supplemental disclosure with the Court promptly.

Further Affiant sayeth not.

 5/6/05

Jeffrey S. Craine

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served this 6th day of May, 2005, by electronic mail, facsimile, hand delivery or overnight mail on the Core Group, 2002 List, Appearance List, and SkyWorks.

/s/ Melissa M. Hinds
