

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

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

**FIRST QUARTERLY APPLICATION OF BAKER & DANIELS FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
AS COUNSEL FOR THE DEBTORS**

Baker & Daniels hereby makes its first quarterly application (the "Application") for the allowance of its attorneys' fees as counsel for the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") and for reimbursement of out-of-pocket expenses advanced on behalf of Debtors. In support of this application, Baker & Daniels states as follows:

1. Debtors filed their voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on October 26, 2004 (the "Petition Date"). This Court, by order dated December 10, 2004, approved Debtors' retention of Baker & Daniels as counsel.
2. This Application is the first quarterly application filed by Baker & Daniels seeking compensation and reimbursement of out-of-pocket expenses advanced by counsel for Debtors for the period October 26, 2004 through and including January 31, 2005. This Application is being filed pursuant to the Order Granting Motion To (I) Approve Procedures For Billings By And Payments To Professionals Retained In This Case For Fees And Expenses

---

<sup>1</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 Chicago Express Airlines, Inc. (04-19874).

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.

3. In the course of its representation of Debtors, Baker & Daniels performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A. Portions of the billing descriptions have been redacted to remove confidential or sensitive information. The services performed by Baker & Daniels for and on behalf of Debtors include, but are not limited to the following categories:

- a. Bankruptcy Initiation Matters And Case Administration. Baker & Daniels conducted numerous initial meetings with management with respect to preliminary bankruptcy planning and strategy development as well as the preparation of first day pleadings such as debtor-in-possession financing orders, payment of employees, continuation of cash management systems, extensions of time with respect to real estate leases, utility adequate protection issues and the like, identification of professionals to be employed in the case and preparation of initial retention applications, the creation, organization and maintenance of files for numerous documents, pleadings, due diligence and similar materials, and various communications, telephone conferences, conversations, meetings, and attendance at hearings related to the foregoing; general work regarding case administration, including meetings and telephone calls with other counsel for creditors and parties in interest with respect to relevant factors in Debtors' history and challenges and issues related to Debtors' particular industry.
- b. General Case Administration. This category consists primarily of work discharged by paralegals, and includes the accumulation, organization, retention and distribution of information for reporting purposes, the preparation of pleadings and notices, preparation for hearings, as well as for parties in interest, assembly of, filing, and maintenance of files concerning the numerous pleadings filed in the case, communications with attorneys regarding appearance and interventions to make sure that all counsel, particularly from outside this district, properly were made part of the Court's intervenor's list and were properly included upon the Debtor's service list, review and calendaring of orders and notices, and communications with the Court regarding the entry and distribution of

same. At times this category also includes work discharged by attorneys interacting with the Court and the Clerk's office to ensure that matters are handled efficiently and within the rules.

- c. Asset Disposition. Baker & Daniels assisted the Debtors in numerous ways including identification, strategy, and analysis of business components and the business as a whole in determining the benefits of asset disposition. To that end, Baker & Daniels participated in numerous and lengthy negotiation sessions with potential buyers and potential bidders and produced reports, analyses, and memoranda advising the Debtors on proposals. Baker & Daniels also provided assistance in developing contacts for interest in the Debtors and their assets. These efforts culminated in an auction of certain portions of the Debtors business with Southwest Airlines, Inc. being the successful bidder. This effort included the negotiation and preparation of bidding procedures, negotiations with potential bidders, conducting the auction, determining the highest and best bid, renegotiating with bidders and the Official Committee of Unsecured Creditors, seeking Court approval for the transaction, negotiating final documentation, and effecting the closing on the transaction. A great deal of time was necessary to devote to Hart Scott Rodino issues arising or potentially arising from the proposals received.
- d. Business Operations. Baker & Daniels has worked closely with the Debtors concerning matters generally related to its ongoing operations including numerous hours devoted to assistance with preparation of business plans, review of cash flows, and preparation of materials for meeting with the Committee appointed in these cases as well as the Air Transportation Stabilization Board, the Debtors cash collateral lender. Baker & Daniels was and remains very involved in review, advise and represent Debtors with respect to potential rejection or assumption of aircraft leases and other executory contracts as well as negotiating 1110 issues with numerous lessors. Baker & Daniels also provided advice and assistance to the Debtors related to filings with the Securities and Exchange Commission.
- e. Claims Administration And Objection. Baker & Daniels assisted and advised the Debtors with respect to developing means to identify and address emergency and emerging issues related to prepetition claims and administrative claims as well as determining insurance issues related to the assertion of such claims.
- f. Employee Benefits/Pensions. Baker & Daniels advised the Debtors with respect to employment terminations and severance agreements; negotiation and strategy regarding KERP benefits and WARN Act issues;

as well as negotiating with unions representatives and advising the Debtors on issues related to such negotiations.

- g. Financing. Baker & Daniels provided extensive expertise and assistance on developing and securing debtor-in-possession financing including negotiating with numerous entities to develop financing vehicles as well as secure interim DIP financing from the Indiana Transportation Finance Authority Review and further financing from Southwest Airlines, Inc. Securing such financing involved numerous conferences, conversations and meetings with the Committee as well as potential lenders, preparation of pleadings, and presentation of motions in the Bankruptcy Court.
- h. Relief from Stay. Baker & Daniels counseled the Debtors on motions filed for relief from the automatic stay; negotiated with entities filing such motions; drafted objections; and argued the motions in the Bankruptcy Court.
- i. Corporate Finance. Baker & Daniels provided extensive assistance to the Debtors and advice concerning 8-K and 10-Q filings.

4. Baker & Daniels has reviewed its detailed summary of time, and has attempted to eliminate double billing for conference time between Baker & Daniels' timekeepers, except where the participation of the timekeepers has demonstrable benefit to the estate. The designation of "NC" or "\$0.00" after a description of services means that no time has been charged for those services. Where possible and efficient, Baker & Daniels encourages the use of lesser billing rate attorneys to perform labor intensive tasks, with oversight and review by more experienced attorneys.

5. Exhibit A provides the detail of the time and hourly billing rate for each attorney, law clerk or paralegal of Baker & Daniels who has performed services in this case. A summary of the fees requested by Baker & Daniels for each such attorney, law clerk or paralegal and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below, segregated into separate matters for accounting and billing purposes.

*GENERAL*

Attorney/Paralegal Name	Hours	Rate	Total Fee
DLJohnson	(Dec) 2.2	\$425.00	\$935.00
GLSkolnik	(Oct/Nov) 0.4	\$345.00	\$138.00
AAPickell	(Oct/Nov) 1.4	\$145.00	\$203.00
	(Dec) 1.7		246.50
RMHurley	(Dec) 4.1	\$115.00	\$471.50

**TOTALS** 9.8 \$1,994.00

*KEVIN MEALS*

Attorney/Paralegal Name	Hours	Rate	Total Fee
DDStohler	(Nov) 0.3	\$140.00	\$42.00

**TOTALS** 0.3 \$42.00

*LABOR*

Attorney/Paralegal Name	Hours	Rate	Total Fee
HAPfeiffer	(Oct-Jan) 0.3	\$340.00	\$102.00
	(Oct-Jan) 5.4	360.00	1,944.00
RSRecker	(Oct-Jan) 0.4	\$320.00	\$128.00
CMBorowski	(Oct-Jan) 0.1	\$185.00	\$18.50

**TOTALS** 6.2 \$2,192.50

*DANIELLE BRIGHT*

Attorney/Paralegal Name	Hours	Rate	Total Fee
TLMelton	(Nov) 0.3	\$14.00	\$42.00

**TOTALS** 0.3 \$42.00

*RESTRUCTURING*

Attorney/Paralegal Name	Hours	Rate	Total Fee
PEBainbridge	(Oct/Nov) 0.2	\$425.00	\$85.00
LMBorst	(Oct/Nov) 1.1	\$425.00	\$467.50
DLJohnson	(Oct/Nov) 4.5	\$425.00	\$1,912.50
	(Dec) 2.0		850.00
TDKlopfer	(Oct/Nov) 0.5	\$425.00	\$212.50
FADlouhy	(Oct/Nov) 4.8	\$425.00	\$2,040.00
DCWorrell	(Oct/Nov) 81.3	\$415.00	\$33,739.50
	(Dec) 5.6		2,324.00
	(Jan) 6.4	435.00	2,784.00
JMCarr	(Oct/Nov) 225.7	\$410.00	\$92,537.00
	(Dec) 103.9		42,599.00
	(Jan) 131.0	430.00	56,330.00
JWPurcell	(Jan) 11.9	\$410.00	\$4,879.00
DKHerzog	(Oct/Nov) 0.7	\$405.00	\$283.50
	(Jan) 1.5	425.00	637.50

*RESTRUCTURING*  
(continued)

GFGlass	(Oct/Nov) 8.2 (Dec) 0.9	\$405.00	\$3,321.00 364.50
CGScanlon	(Oct/Nov) 4.5	\$405.00	\$1,822.50
DUGogol	(Dec) 4.3	\$400.00	\$1,720.00
JHYeager, Jr.	(Jan) 11.6	\$400.00	\$4,640.00
SAClaffey	(Oct/Nov) 273.3 (Dec) 225.3 (Jan) 157.8	\$390.00 410.00	\$106,587.00 87,867.00 64,698.00
RKStanley	(Oct/Nov) 25.4 (Dec) 87.7 (Jan) 14.3	\$390.00 410.00	\$9,906.00 34,203.00 5,863.00
FSSwain	(Dec) 0.5	\$390.00	\$195.00
DPBennett	(Jan) 0.2	\$375.00	\$75.00
JRBurns	(Oct/Nov) 0.9	\$355.00	\$319.50
JRJenkins	(Oct/Nov) 19.3 (Dec) 35.4	\$355.00	\$6,851.50 12,567.00
JJaffe	(Oct/Nov) 1.4 (Dec) 0.2	\$350.00	\$490.00 70.00
JMStautz	(Dec) 25.9 (Jan) 0.9	\$350.00 370.00	\$9,065.00 333.00
GLSkolnik	(Dec) 1.2	\$345.00	\$414.00
MKLisher	(Oct/Nov) 22.9 (Dec) 4.9 (Jan) 1.1	\$340.00 355.00	\$7,786.00 1,666.00 390.50
HAPfeiffer	(Dec) 0.4 (Jan) 0.1	\$340.00 360.00	\$136.00 36.00
RARichardson	(Oct/Nov) 4.5	\$320.00	\$1,440.00
DRHamer	(Oct/Nov) 17.1 (Dec) 1.0 (Jan) 19.4	\$310.00 325.00	\$5,301.00 310.00 6,305.00
GNDale	(Oct/Nov) 26.2 (Dec) 1.1 (Jan) 3.9	\$305.00 315.00	\$7,991.00 335.50 1,228.50
DAGiven	(Jan) 6.7	\$305.00	\$2,043.50
JWClark	(Oct/Nov) 1.4	\$300.00	\$420.00
MACastille	(Oct/Nov) 0.9	\$290.00	\$261.00
DAFoster	(Oct/Nov) 95.8 (Dec) 142.9 (Jan) 67.8	\$285.00 300.00	\$27,303.00 40,726.50 20,340.00
HJOkeson	(Oct/Nov) 1.3	\$285.00	\$370.50
KMToner	(Oct/Nov) 0.7	\$285.00	\$199.50
ITAdamczyk	(Oct/Nov) 11.1 (Dec) 3.7	\$280.00	\$3,108.00 1,036.00

*RESTRUCTURING*  
(continued)

DLHinshaw	(Jan) 4.3	\$280.00	\$1,204.00
JMMatthews	(Oct/Nov) 3.0 (Dec) 33.5	\$280.00	\$840.00 9,380.00
DDPowers	(Oct/Nov) 1.3	\$270.00	\$351.00
LSchlesinger	(Oct/Nov) 22.0	\$260.00	\$5,720.00
JDOgren	(Oct/Nov) 20.6	\$250.00	\$5,150.00
CAGreci	(Oct/Nov) 0.7 (Dec) 0.8	\$240.00	\$168.00 192.00
CGLong	(Oct/Nov) 0.3	\$240.00	\$72.00
TCKus	(Oct/Nov) 0.7	\$235.00	\$164.50
AMRoberts	(Oct/Nov) 0.7	\$235.00	\$164.50
JSBirge	(Dec) 6.0 (Jan) 16.9	\$230.00	\$1,380.00 3,887.00
JVGery	(Oct/Nov) 20.7 (Dec) 25.7	\$230.00	\$4,761.00 5,911.00
EEHollis, III	(Oct/Nov) 20.8 (Dec) 0.1 (Jan) 1.6	\$230.00	\$4,784.00 23.00 416.00
MNBarnes	(Oct/Nov) 11.1 (Dec) 3.4 (Jan) 0.2	\$225.00	\$2,497.50 765.00 49.00
JDKimpel	(Oct/Nov) 0.5	\$220.00	\$110.00
MAWerling	(Oct/Nov) 3.1	\$220.00	\$682.00
MAGallmeyer	(Oct/Nov) 0.7	\$195.00	\$136.50
S. Ghuman-O'Neill	(Jan) 4.3	\$195.00	\$838.50
JMHill	(Oct/Nov) 12.1 (Dec) 16.4	\$195.00	\$2,359.50 3,198.00
KLOsborn	(Oct/Nov) 215.6 (Dec) 82.9 (Jan) 0.5	\$195.00	\$42,042.00 16,165.50 115.00
DRPruitt	(Oct/Nov) 0.6	\$195.00	\$117.00
TEHall	(Oct/Nov) 171.7 (Dec) 146.0 (Jan) 130.8	\$185.00	\$31,764.50 27,010.00 26,814.00
DMLenahan	(Oct/Nov) 38.8 (Dec) 23.6	\$185.00	\$7,178.00 4,366.00
AFBusby	(Oct/Nov) 0.7	\$180.00	\$126.00
JKHenning	(Oct/Nov) 0.7	\$180.00	\$126.00
SMEikenberry	(Oct/Nov) 9.0 (Dec) 4.9	\$175.00	\$1,575.00 857.50
MJBridges	(Oct/Nov) 2.3	\$165.00	\$379.50

*RESTRUCTURING*  
(continued)

MJEggers	(Dec) 2.5	\$160.00	\$400.00
MKGlazner	(Oct/Nov) 2.2	\$160.00	\$352.00
NJHaag	(Oct/Nov) 1.0	\$145.00	\$145.00
AAPickell	(Oct/Nov) 1.9	\$145.00	\$275.50
	(Jan) 4.1	155.00	635.50
DMSimpson	(Dec) 0.5	\$145.00	\$72.50
JADall	(Oct/Nov) 0.7	\$140.00	\$98.00
	(Jan) 16.9	170.00	2,873.00
KMGordon	(Oct/Nov) 0.7	\$140.00	\$98.00
MMHinds	(Oct/Nov) 139.3	\$140.00	\$19,502.00
	(Dec) 29.3		4,102.00
	(Jan) 54.0	170.00	9,180.00
JFWFleming	(Oct/Nov) 8.0	\$140.00	\$1,120.00
	(Dec) 6.7		938.00
	(Jan) 1.4		196.00
	(Jan) 0.5	170.00	85.00
BSJudkins	(Oct/Nov) 0.7	\$140.00	\$98.00
JLLindberg	(Oct/Nov) 1.0	\$140.00	\$140.00
MCMcAllister	(Oct/Nov) 0.7	\$140.00	\$98.00
JDPfister	(Oct/Nov) 0.7	\$140.00	\$98.00
AKCastor	(Oct/Nov) 2.7	\$130.00	\$351.00
CRBrook	(Oct/Nov) 21.8	\$125.00	\$2,725.00
	(Dec) 31.4		3,925.00
JCNelson	(Oct/Nov) 116.2	\$125.00	\$14,525.00
	(Dec) 93.2		11,650.00
	(Jan) 109.7	160.00	17,552.00
EAWalpole	(Oct/Nov) 0.4	\$120.00	\$48.00
MLKrugler	(Oct/Nov) 10.9	\$125.00	\$1,362.50
	(Dec) 55.1		6,887.50
	(Jan) 0.7	135.00	94.50
SBLaughlin	(Oct/Nov) 95.6	\$120.00	\$11,472.00
	(Dec) 57.5		6,900.00
	(Jan) 2.1		252.00
	(Jan) 66.3	130.00	8,619.00
LJHimmelheber	(Oct/Nov) 28.1	\$115.00	\$3,231.50
	(Dec) 68.8		7,912.00
	(Jan) 24.7	125.00	3,087.50
RMHurley	(Dec) 8.7	\$115.00	\$1,000.50
	(Jan) 5.6	170.00	952.00
BMKuzola	(Oct/Nov) 2.6	\$115.00	\$299.00
	(Dec) 0.6		69.00



*RESTRUCTURING*  
(continued)

HETrivers	(Oct/Nov) 0.5	\$100.00	\$50.00
	(Jan) 2.3		230.00
<b>TOTALS</b>	<b>4,053.1</b>		<b><u>\$1,079,328.00</u></b>

6. Baker & Daniels has advanced the sum of \$53,891.33 for out-of-pocket expenses incurred in connection with this case on behalf of Debtors during the period from October 26, 2004 through and including January 31, 2005. A summary of the out-of-pocket expenses incurred by Baker & Daniels is set forth in Exhibit A.

7. Within the "Restructuring" matter, as of the Petition Date, Baker & Daniels established certain task codes that cause related time to be grouped together to facilitate the review of the Firm's requested fees by the Court, the United States Trustee, and Debtors' creditors. Set forth below is a summary of the aggregate billings under the established task codes for the period October 26, 2004 through and including January 31, 2005.

<b>Task Description</b>	<b>Hours</b>	<b>Value</b>
Asset Analysis and Recovery [B001]	(Oct/Nov) 28.5 (Dec) 0.2 (Jan) 0.5	\$5,448.00 78.00 85.00
Asset Disposition [B002]	(Oct/Nov) 662.0 (Dec) 811.8 (Jan) 186.8	\$180,018.50 229,950.50 50,752.00
Business Operations [B003]	(Oct/Nov) 211.3 (Dec) 94.7 (Jan) 126.3	\$62,153.50 31,523.50 47,882.00
Case Administration [B004]	(Oct/Nov) 569.2 (Dec) 302.1 (Jan) 199.2	\$118,682.50 47,634.00 40,126.00
Claims Administration and Objections [B005]	(Oct/Nov) 46.2 (Dec) 31.9 (Jan) 72.0	\$9,903.50 6,700.00 16,976.00
Employee Benefit/Pensions [B006]	(Oct/Nov) 25.1 (Dec) 3.9 (Jan) 136.3	\$7,742.00 1,581.00 43,791.50

Fee/Employment Applications [B007]	(Oct/Nov) 3.8 (Dec) 3.1 (Jan) 32.6	\$541.00 777.50 7,867.00
Fee/Employment Objections [B008]	(Oct/Nov) 3.0 (Dec) 2.4	\$1,129.00 459.00
Financing [B009]	(Oct/Nov) 144.7 (Dec) 78.2 (Jan) 41.8	\$48,170.00 26,087.50 16,447.00
Litigation [B010]	(Oct/Nov) 7.6 (Dec) 2.1 (Jan) 11.0	\$1,898.00 548.00 2,296.00
Meeting of Creditors [B011]	(Oct/Nov) 3.6 (Jan) 2.2	\$1,404.00 512.50
Plan and Disclosure Statement [B012]	(Oct/Nov) 1.2 (Dec) 0.4 (Jan) 7.0	\$406.50 156.00 1,984.00
Relief from Stay Proceedings [B013]	(Oct/Nov) 7.3 (Dec) 6.6 (Jan) 36.1	\$1,271.00 1,149.00 6,303.00
Business Analysis [B015]	(Oct/Nov) 4.4 (Dec) 1.0 (Jan) 22.4	\$1,638.00 390.00 9,518.00
Corporate Finance [B016]	(Oct/Nov) 82.1 (Dec) 5.6 (Jan) 7.1	\$33,839.50 2,324.00 3,048.00
Litigation Consulting [B018]	(Oct/Nov) 0.5	\$195.00
Tax Issues [B020]	(Oct/Nov) 26.6 (Dec) 0.5 (Jan) 0.2	\$7,672.00 195.00 75.00
<b>TOTALS</b>	<b>4,053.1</b>	<b>\$1,079,328.00</b>

8. As of the Petition Date, Baker & Daniels held a retainer ("Retainer") in the amount of \$1,465,000.00 (initial retainer of \$1,500,000.00 less \$35,000.00 authorized by Debtors to pay pre-filing unbilled time and disbursements). Pursuant to the Billing and Payment Order, Baker & Daniels agreed to apply up to an aggregate of one-third (1/3) of their retainer pro rata over the first four months of the Chapter 11 Cases to pay the fees requested in their monthly billing statements. Accordingly the Debtors have applied \$366,249.89 of the Retainer to the bills due and owing from the Petition Date through January 31, 2005. Pursuant to the Billing and

Payment Order, the Baker & Daniels has received \$873,213.62 in fees and \$53,823.19 in expenses for fees and expenses due as of January 31, 2005, inclusive of the applied Retainer. This Application is the first application of Baker & Daniels and no prior fees have been awarded to Baker & Daniels as counsel for Debtors in these cases.

9. No agreement or understanding exists between Baker & Daniels and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

10. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of Debtors and represent necessary and proper expenses.

WHEREFORE, Baker & Daniels requests that the Court award an allowance of compensation for attorneys' fees in the amount of One Million Eighty-Three Thousand Five Hundred Ninety-Eight and 50/100 Dollars (\$1,083,598.50) plus reimbursement for out-of-pocket expenses incurred in the amount of Fifty-Three Thousand Eight Hundred Ninety-One and 33/100 Dollars (\$53,891.33), and grant Baker & Daniels all other just and proper relief.

Respectfully Submitted,

BAKER & DANIELS

By: /s/James M. Carr  
Attorneys for the Debtors and Debtors-in-Possession

James M. Carr (#3128-49)  
Terry E. Hall (#22041-49)  
Stephen A. Claffey (#3233-98)  
Melissa M. Hinds (#24230-49)  
Jeffrey C. Nelson (#25173-49)  
300 North Meridian Street, Suite 2700  
Indianapolis, Indiana 46204

Telephone: (317) 237-0300  
Facsimile: (317) 237-1000  
jim.carr@bakerd.com  
terry.hall@bakerd.com  
steve.claffey@bakerd.com  
melissa.hinds@bakerd.com  
jeffrey.nelson@bakerd.com

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing Application was served by electronic mail on this 6<sup>th</sup> day of May, 2005, upon the Core Group, 2002 List and Appearance List.

/s/James M. Carr