

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
	)	(Jointly Administered)
Debtors.	)	
_____	)	

**DEBTORS' OBJECTION TO CERTAIN CLAIMS RELATING TO: (1) CFM56-7 MCPH SERVICE AGREEMENT FILED BY GE ENGINE SERVICES, INC., AND (2) GENERAL TERMS AGREEMENT FILED BY CFM INTERNATIONAL, INC.**

ATA Holdings Corp., et al., as debtors and reorganized debtors (collectively, the "Debtors"), by counsel, pursuant to Fed. R. Bankr. P. 3007, hereby object to the claims asserted by GE Engine Services, Inc. ("GEES") and CFM International, Inc. ("CFM") (collectively, the "Contract Parties"). In support of the "Debtors' Objection To Certain Claims Relating To: (1) CFM56-7 MCPH Service Agreement Filed By GE Engine Services, Inc. And (2) General Terms Agreement Filed By CFM International, Inc." (the "MCPH Objection") the Debtors state as follows:

**I. Jurisdiction**

1. The Court has jurisdiction over the MCPH Objection under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(B). Venue of these cases and the MCPH Objection is properly in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

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<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 C8 Airlines, Inc., f/k/a Chicago Express Airlines, Inc. (04-19874).

2. The statutory bases for the relief requested herein are 11 U.S.C. § 502 and Fed. R. Bankr. P. 3001 and 3007.

## **II. General Background**

3. The Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code on October 26, 2004 (the “Petition Date”). The Court confirmed the plan of reorganization, as amended, of the Reorganizing Debtors<sup>2</sup> on January 31, 2006 (CM/ECF Docket No. 3657). The remaining Debtors have liquidated their assets as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

4. Prior to the Petition Date, ATA Airlines, Inc. or its predecessor-in-interest (“ATA”) entered into a Maintenance Cost Per Hour Engine Service Agreement with GEES (the “MCPH Agreement”). Also prior to the Petition Date, ATA entered into a General Terms Agreement with CFM (the “GTA Agreement”). During the course of ATA’s reorganization, ATA rejected both the MCPH Agreement and the CFM Agreement.

5. Subsequent to the rejection of the MCPH Agreement, GEES timely filed three claims against ATA: 1372, 1374 and 2255. The basis of these claims is lease rejection damages under the MCPH Agreement.

6. Subsequent to the rejection of the GTA Agreement, CFM filed two claims against ATA: 1368 and 2254. The basis of these claims is lease rejection damages under the GTA Agreement.

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<sup>2</sup> The Reorganizing Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), ATA Leisure Corp. (04-19870), ATA Cargo, Inc. (04-19873), and American Trans Air ExecuJet, Inc. (04-19872).

7. Because the Debtors have not yet reached an agreement with the Contract Parties as to the proper amount for lease rejection damages under the MCPH Agreement and the GTA Agreement, the Debtors object to claim numbers 1368, 1372, 1374, 2254 and 2255.

### **III. Basis For The Relief Requested**

8. The Debtor, GEES and CFM have been engaged in extensive and good faith negotiations to reach an agreement as to the proper lease rejection damage claims under the MCPH Agreement and the GTA Agreement. These negotiations are continuing; however, it is unlikely that they will be concluded prior to the Claim Objection Deadline of June 28, 2006. In order to preserve the Debtors' rights to continue to negotiate an agreed-upon figure for lease rejection damages under the MCPH Agreement and/or the GTA Agreement, or if no agreement is possible, to dispute the claims filed by GEES and CFM, respectively, the Debtors hereby object to claim numbers 1372, 1374 and 2255 filed by GEES and claim numbers 1368 and 2254 filed by CFM.

### **IV. Contested Matter Scheduling And Response Deadline<sup>3</sup>**

9. By this MCPH Objection, a contested matter pursuant to Fed. R. Bankr. P. 9014 is commenced.

10. Responses to this MCPH Objection shall be filed and served on or before July 23, 2006 (the "Response Deadline") with service on: co-counsel for the Debtors, attention: Michael P. O'Neil and Jeffrey J. Graham; counsel for the post-confirmation committee, attention: Lisa Beckerman; and the United States Trustee, attention: Joseph McGonigal.

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<sup>3</sup> ATA is optimistic that the parties will reach an agreement as to the lease rejection claims under the MCPH Agreement and the GTA Agreement and that further proceedings under this MCPH Objection will not be necessary. However, out of an abundance of caution, ATA and the Debtors seek to establish the following procedural schedule.

11. In the event that no response is filed by GEES or CFM by the Response Deadline, the Debtors respectfully request that the Court enter an Order granting and sustaining the MCPH Objection without a hearing. Should GEES and/or CFM timely file a response, the Debtors respectfully request that the Court schedule a hearing (or, if time does not permit, a pretrial conference) on the MCPH Objection and any response(s) thereto on August 3, 2006.

#### **V. Notice**

12. The Debtors' claims and noticing agent, BMC Group will serve copies of this MCPH Objection on GEES and CFM and their counsel and as required by the Case Management Order entered October 29, 2004, the Core Group, the 2002 List, and Appearance List. A separate notice with regard to the hearing date and response deadline will also be sent.

13. The Debtors submit that such notice of this MCPH Objection is sufficient under the Case Management Order, the Reorganized Debtors' confirmed plan of reorganization, and Fed. R. Bankr. P. 3007, and that no further notice is necessary.

#### **VI. Reservation Of Rights**

14. The Debtors reserve the right to object to any claims related to the MCPH Agreement and/or the GTA Agreement that are not listed herein on the same or similar grounds listed herein. Separate objections, notices and hearings will be scheduled for any such objections.

15. In addition, the Debtors specifically reserve their rights and request that the allowance of any GEES claim or CFM claim, if any, is without prejudice to the Debtors' rights and avoidance powers under §§ 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 558, and 724(a) of the Bankruptcy Code or other applicable nonbankruptcy law.

WHEREFORE, the Debtors respectfully request that the Court enter an Order:

(a) disallowing claim numbers 1372, 1374, and 2255 filed by GEES; (b) disallowing claim numbers 1368 and 2254 filed by CFM; and (c) granting the Debtors such other and further relief as the Court deems proper.

DATED: June 27, 2006

ATA HOLDINGS CORP., et al.,  
as debtors and reorganized debtors,

By: /s/ Jeffrey J. Graham  
Jeffrey J. Graham, One Of Their Co-  
Counsel

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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing was caused by BMC Group to be served this 27<sup>th</sup> day of June, 2006, by electronic mail and/or U.S. Mail, on the claimants appearing on Exhibit A hereto, the Core Group, the 2002 List, and the Appearance List.

/s/ Jeffrey J. Graham  
Jeffrey J. Graham