

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re)	Chapter 11
)	
ATA HOLDINGS CORP., et al., ¹)	Case No. 04-19866 (BHL)
)	(Jointly Administered)
Debtors.)	
_____)	

**RESPONSE OF KEY EQUIPMENT FINANCE INC.
TO C8 AIRLINES, INC.'S OBJECTION TO CLAIM**

(Claim No. 1028)

Key Equipment Finance Inc. (“**Key**”), for its Response to C8 Airlines, Inc.’s Objection to Claim of Key Equipment Finance, Inc. and Notice of Response Deadline (Claim No. 1028) (the “**Objection**”), states the following:

1. Key admits the allegations of Paragraph 1 of the Objection.
2. Key admits the allegations of Paragraph 2 of the Objection.
3. Key denies the allegations of Paragraph 3 of the Objection that no

basis exists for the assertion of the “Claim” (as defined in the Objection) as a secured claim.

Key denies for lack of knowledge sufficient to form a belief as to the truth thereof the remaining allegations of Paragraph 3 of the Objection. Upon Key’s information and belief, however, the Debtor’s preference litigation with the original holder of the Claim, Embraer Aircraft Maintenance Services, Inc., is nearing a settlement, which will render the application of section 502(d) of the Bankruptcy Code moot as to the allowance of the Claim.

¹ The Debtors are the following entities: ATA Holdings Corp., ATA Airlines, Inc., Ambassadors Travel Club, Inc., ATA Leisure Corp., Amber Travel, Inc., American Trans Air Execujet, Inc., ATA Cargo, Inc., and C8 Airlines, Inc., fka Chicago Express Airlines, Inc.

4. Key states that the allegations of Paragraphs 4, 5, and 6 of the Objection require no response by it.

WHEREFORE, Key requests that the Objection be overruled and that the Claim be allowed in full.

Dated: February 22, 2008
Cleveland, Ohio

/s/ Michael A. Axel
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CERTIFICATE OF SERVICE

The undersigned certifies that copies of the attached Response of Key Equipment Finance Inc. to C8 Airlines, Inc.'s Objection to Claim were served (i) electronically through the Court's CM/ECF system on February 22, 2008 on those parties entitled to receive electronic notices in these cases and (ii) via e-mail on February 22, 2008 on the following:

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/s/ Michael A. Axel