

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 TO APPROVE AGREEMENT AND SETTLEMENT
OF MOTION TO USE CASH COLLATERAL**

Debtors respectfully ask that the Court pursuant to Bankruptcy Rule 4001(d)(4) approve an agreement reached among the Debtors, the ATSB Lender Parties² (as defined below), and the Official Committee of Unsecured Creditors (the "Committee") with respect to the Debtors' motion filed on October 26, 2004 seeking a final order approving the Debtors' use of the cash collateral of the ATSB Lender Parties and to provide adequate protection with respect to the ATSB Lender Parties' Pre-Petition Collateral. In support of the motion, Debtors say:

1. On October 26, 2004, Debtors filed the First Day Cash Collateral Motion (the "Cash Collateral Motion") asking the Court to approve on a "bridge", interim, and final basis the Debtors' use of the cash collateral of the ATSB Lender Parties and to provide adequate protection with respect to the Pre-Petition Collateral of the ATSB Lender Parties. On October 29, 2004, the Court held a interim hearing and entered the Interim Order authorizing the Debtors' further use of cash collateral (the "Interim Cash Collateral Order"). Since that time, the Court

¹ The Debtors are the following entities: ATA Holdings Corp. (04-19866), ATA Airlines, Inc. (04-19868), Ambassadors 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).

² Capitalized terms not defined herein have the meanings ascribed on attached Exhibit 1.

has approved four stipulated extensions of the Interim Cash Collateral Order with the last such extension currently ending on December 8, 2004.

2. The Debtors, the Committee, and the ATSB Lender Parties have negotiated an agreement to settle the matters raised by the request in the Cash Collateral Motion to provide relief on a "final" basis. Attached hereto is Exhibit 1 is a proposed Second Interim And Final Order Authorizing Debtors' Use Of Cash Collateral And Use, Sale And Lease Of Other Pre-Petition Collateral (the "Proposed Final Order"). The Proposed Final Order represents a settlement of issues raised by the Cash Collateral Motion and the approval and entry of the Proposed Final Order should be governed by Bankruptcy Rule 4001(d)(4). Attached hereto is Exhibit 2 is a blackline showing changes between the Interim Order and the Proposed Final Order.

3. Debtors request that the Court order that any objection with respect to the entry of an order substantially in the form of the Proposed Final Order be filed and served upon counsel for Debtors, the ATSB Lenders, and the Committee no later than 4:00 p.m. EST on Monday, December 6, 2004 and that the Court consider entry of an order substantially in the form of the Proposed Final Order at the final hearing now scheduled on the Cash Collateral Motion for December 8, 2004.

Respectfully Submitted,

BAKER & DANIELS

By: /s/James M. Carr

Attorneys for the Debtors and Debtors-in-Possession

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served this 3rd day of December, 2004, by electronic mail on the Core Group, 2002 List and Appearance List.

/s/James M. Carr
