United States Bankruptcy Court Southern District of Indiana Indianapolis Division		ADMINISTRATIVE EXPENSE CLAIM REQUEST FORM
Name of Debtor C8 AIRLINES, INC , f/k/a Chicago Express Airlines, Inc	**Case Number** 04-19866 (Jointly Administered)	

NOTE This form should not be used to make a claim in connection with a request for payment for goods or services provided to C8 Airlines Inc prior to October 26 2004 This ADMINISTRATIVE EXPENSE CLAIM REQUEST FORM is to be used solely in connection with a request for payment of an administrative expense claim arising after October 26 2004 pursuant to 11 U S C § 503

1 Name of Administrative Expense Claimant

NatTel, LLC

THIS SPACE IS FOR COURT USE ONLY

Contact Information for Administrative Expense Claimant

Attn: Jack E Robinson

Address 2187 Atlantic Street

City/St/Zip Stamford, CT 06902

Telephone # (203) 425-4500

Email address Robinsonesq@aol.com

2 Date Administrative Expense Claim Arose

Nov 2004 - present

3 Total Amount of Administrative Claim $ 250,000.00

4 Basis for Administrative Expense Claim (Describe the basis of the administrative expense claim and attach any additional information and supporting documentation (See # 5))

See attached.

FILED

OCT 24 2005

BMC

5 **SUPPORTING DOCUMENTS** *Attach copies of supporting documents* such as promissory notes purchase orders invoices itemized statements of running accounts contracts court judgments mortgages security agreements and evidence of perfection of lien DO NOT SEND ORIGINAL DOCUMENTS If the documents are not available explain If the documents are voluminous attach a summary

6 **DATE STAMPED COPY** To receive an acknowledgment of the filing of your administrative expense claim request enclose a stamped self addressed envelope and copy of this administrative expense claim request form

Date

10/21/05

Sign and print the name and title of the administrative expense claimant or other person authorized to file this request (attach copy of the power of attorney if any)

Jack E. Robinson, President

ATA

02134

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re	)	Chapter 11
	)	
ATA HOLDINGS CORP , and	)	Case Nos 04-19866 and 04-19874
C8 AIRLINES, INC f/k/a CHICAGO	)	(Jointly Administered)
EXPRESS AIRLINES, INC ,	)	
	)	
Debtors	)	
	)	

VERIFIED ADMINISTRATIVE EXPENSE CLAIM REQUEST OF NATTEL, LLC

NatTel, LLC ("NatTel"), a general unsecured creditor and party-in-interest of debtor C8 Airlines, Inc f/k/a Chicago Express Airlines, Inc ("C8"), hereby submits this Verified Administrative Expense Claim Request in further support of its Administrative Expense Claim Request Form filed with BMC Group in this case

Because NatTel has been the driving force in looking out for the interests of the C8 estate and because NatTel is primarily responsible for whatever cash value currently resides in the C8 estate, NatTel has made a substantial contribution to the C8 estate Consequently, NatTel is entitled to payment of its administrative expense claim of **$250,000** pursuant to 11 U S C §§ 503(b)(3)(D) and (b)(4)

In further support hereof, NatTel respectfully states as follows

1 Section 503(b)(3)(D) of the Bankruptcy Code grants an administrative expense priority to the actual, necessary expenses of a creditor making a substantial contribution to a case under Chapter 11 Section 503(b)(4) of the Bankruptcy Code similarly grants an administrative expense priority to the reasonable compensation of that creditor's attorneys, as well as the attorneys' actual, necessary expenses There can be no doubt that NatTel has made a substantial contribution to the C8 estate on numerous fronts In fact, but for NatTel's

involvement in the C8 case, C8 would have been all but forgotten in the ATA bankruptcy Consequently, NatTel is entitled to administrative expense priority for the payment of its actual and necessary expenses, compensation regarding NatTel's attorneys, and reimbursement of their respective actual and necessary expenses – all totaling **$250,000**

2 The issue of whether NatTel has made a substantial contribution to the C8 estate is a question of fact *In re* Alumni Hotel Corp , 203 B R 624, 630 (Bankr E D Mich 1996) "In order to meet the requirement of 'substantial contribution' in §503(b), an applicant must show that his efforts directly resulted in a demonstrable, material benefit to the debtor's estate and the creditors The court considers whether the applicant's services were rendered solely to benefit the creditor or to benefit all parties in the case, whether the services provided a direct, significant, and demonstrable benefit to the estate, and whether the services duplicated those provided by the attorneys for the debtor or the committee of unsecured creditors " Id at 632 (citations omitted) As described below, NatTel clearly and easily satisfies all of these requirements

3 Creditors like NatTel have been held to have made substantial contributions where their actions led to the appointment of a chapter 11 trustee or examiner, *In re* Paolino, 71 B R 576 (Bankr E D Pa 1987), changed the treatment for all unsecured creditors under a plan, *In re* Roberts, 93 B R 442 (D S C 1988), and set in motion transactions that resulted in funds becoming available to the estate, *In re* United States Lines, Inc , 103 B R 427 (Bankr S D N Y 1989) NatTel has done – and plans to do – all of these things Moreover, a creditor's self-interest motivation is irrelevant in making the determination Even a potential acquiror of the debtor who purchased claims to be a creditor and made competing bids to acquire the debtor that resulted in a higher recovery to the creditors has been deemed to have

made a substantial contribution See *In re* DP Partners Ltd Partnership, 106 F 3d 667 (5th Cir 1997)

4 Based on these legal standards, it is obvious that NatTel has made a substantial contribution to the C8 estate for and based upon at least the following reasons

- Soon after ATA entered into the AirTran Transaction in November 2004, NatTel notified ATA that it sought to acquire C8 as a going concern
- ATA refused to allow NatTel to participate in the December 2004 auction which resulted in the Southwest Transaction, even though NatTel was the *only* bidder for C8
- NatTel challenged the Southwest Transaction insofar as it imperiled the ongoing viability of C8 and was not in the best interests of C8 and its creditors [1]
- At the hearing to approve the Southwest Transaction, NatTel was the *only* party to raise the issue of whether the Southwest Transaction was in the best interests of C8's creditors as opposed to ATA's creditors
- NatTel appealed the Court's approval of the Southwest Transaction to the district court because NatTel believed, and it has since been confirmed, that the Southwest Transaction was not in the best interests of C8 and its creditors [2]

[1] One of the reasons the Southwest Transaction was not in the best interest of C8's creditors was that while C8 was required to co-guarantee the Southwest DIP, C8 received no benefit from that transaction

[2] NatTel subsequently dismissed this appeal prior to briefing

- In January 2005, NatTel began a private and public (due to ATA's refusal to negotiate in good faith) campaign to save C8, its 600 jobs and its ongoing operations while at the same time attempting to acquire C8 from ATA
- ATA fought NatTel at every turn, first announcing that C8 wasn't for sale, then announcing that C8's operations would be expanded to several new routes, then two weeks later announcing that C8 not only wouldn't be expanding but would be liquidated, then two weeks thereafter announcing that C8 would indeed be put up for sale
- There can be no doubt that but for NatTel's persistent efforts, ATA would not have agreed to put C8 up for sale and, instead, would have "quietly" liquidated C8
- NatTel continued in February 2005 to make ever-increasing offers to ATA to acquire C8 and, upon information and belief, NatTel was the only entity to submit formal offers to ATA during this period
- NatTel objected to the extension of C8's exclusivity period because that allowed C8 to remain under the oppressive thumb of ATA during the critical period in February-March 2005 when C8's existence as a going concern hung in the balance
- NatTel's public campaign regarding C8 generated wide interest and attention and caused several other entities to express interest in acquiring C8

- NatTel is the *only* entity that identified and championed the issue of challenging the $481 million in pre- and $47 million in post-petition loan guarantees foisted upon C8 as well as collecting the $15 6 million in pre-petition receivables owed to C8 by ATA
- NatTel is the *only* entity that fought against the liquidation of C8, arguing that more would be received if C8 were sold as a going concern rather than after it had ceased operations – particularly with respect to the viability of C8's FAA and DOT certifications
- NatTel is the *only* entity that filed a motion for the appointment of an examiner to investigate the loan guarantees, receivables and other important issues regarding C8
- NatTel is the *only* creditor that participated in the examiner's investigation, responded to his questions, and assisted the examiner in better understanding the issues
- NatTel's assertions in support of appointing the examiner were all supported by the findings contained in the examiner's final report
- During a March 2005 hearing, NatTel was the *only* party that argued to the Court that any shutdown of C8 would render its FAA and DOT certificates null and void, while all of the other parties-in-interest, including the examiner, argued that a shutdown would have no impact on C8's operating authorities
- NatTel was again proven correct when, in mid-April 2005, after C8 had shut down, Okun Enterprises discovered that it could not revive C8's

FAA and DOT certifications and was forced to back out of its $4 million deal to acquire C8's assets [3]

- Just prior to C8's shutdown, NatTel offered $750,000 to acquire the stock of C8 However, ATA refused the offer
- It was because of NatTel's public efforts regarding C8 that both Okun Enterprises and the ultimate successful bidder for C8's assets, CSC Investments, learned of the C8 opportunity and decided to bid
- Even to this day, after C8 has been liquidated, NatTel continues to champion the interests of C8 and its creditors by objecting to further extensions of C8's exclusivity and monitoring all other developments regarding C8 (as well as developments regarding ATA that might have an impact on C8's ultimate fate) [4]

5 *In re* DP Partners Ltd Partnership, 106 F 3d 667 (5th Cir 1997), is virtually identical to the situation regarding NatTel and C8 In DP Partners, Hall Financial Group ("HFG") acquired three small claims to become a creditor so that it could propose a competing plan regarding DP Partners (*NatTel acquired three small claims so that it could become a creditor and better safeguard C8 and the interests of C8's creditors*) HFG proposed a competing plan regarding DP's business which set off a bidding war (*NatTel sought to acquire C8 as a going concern which set off a bidding war*) The DP plan ultimately prevailed but, due to HFG's participation, provided $3 million more to creditors

[3] Those fiduciaries of the C8 estate who forcefully argued for a post-shutdown sale of C8 in the face of clear and convincing evidence, provided by NatTel, that a shutdown would render C8's FAA and DOT certifications void, could face potential liability to the C8 estate for causing Okun's $4 million deal to disintegrate

[4] For example, NatTel has filed an objection to ATA's disclosure statement regarding inaccurate and misleading statements made therein pertaining to C8

(*NatTel's very public involvement caused the C8 estate to receive more than it otherwise would have in a "quiet" liquidation*) In the process, however, HFG incurred $151,000 in attorneys' fees (*NatTel has so far incurred $250,000 in attorneys' fees and expenses*) The bankruptcy court, after notice and a hearing, awarded HFG only $12,500 and the district court summarily affirmed However, the Fifth Circuit, after identifying the requirements for making a "substantial contribution," vacated the $12,500 fee award and remanded for further proceedings The Fifth Circuit also held that "a creditor's motive in taking actions that benefit the estate has little relevance in the determination whether the creditor has incurred actual and necessary expenses in making a substantial contribution to a case" Id at 673 Likewise, even if many of NatTel's actions were motivated by its economic self-interest, the end-result has been a substantial contribution to the entire C8 estate for the benefit of all the C8 (as opposed to ATA) creditors

6 The bankruptcy court in DP Partners specifically found that HFG's participation in the case resulted in a substantial contribution in terms of (a) discovery of fraudulent conveyance potential litigation and its benefits, (b) termination of exclusivity, and (c) causing the debtor to change its plan to provide for a higher recovery to unsecured creditors The same holds true here NatTel's participation resulted in the discovery of and challenge to the over $500 million in pre- and post-petition loans co-guaranteed by C8, the appointment of the examiner, challenges to exclusivity, attempts to save C8 as a going concern, its 600 jobs and much-needed air service to several Indiana cities, and causing ATA and C8 to take actions in the interests of C8's creditors as opposed to ATA's creditors

7 Not only is NatTel entitled to administrative expense priority for its direct actual and necessary expenses under § 503(b)(3)(D), but for the attorneys' fees and expenses

NatTel has incurred which are compensable under § 503(b)(4) NatTel's actual, necessary and reasonable fees and expenses incurred from November 2004 through October 1, 2005 in this case are summarized as follows

NatTel direct expenses (travel, photocopying, telephone/fax, postage/FedEx, computer research, out-of-pocket, etc)	$	23,748 97
Legal fees and expenses of Freeborn & Peters LLP (406 9 hours plus expenses)		126,251 03
Legal fees and expenses of Jack E Robinson, Esq (815 hours plus expenses)		100,000 00
TOTAL	**$**	**250,000 00**

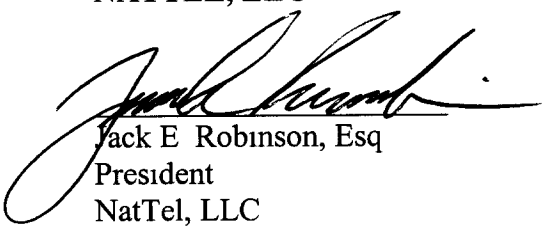
8 Throughout this case, NatTel has been the lone sentinel in the watchtower standing guard over C8 and the interests of its creditors against the machinations of those who did not particularly care for C8, its 600 employees, the Indiana communities served by C8, or C8's creditors Because there can be no doubt that NatTel has made, and is continuing to make, a substantial contribution to the C8 estate, NatTel is entitled to administrative expense priority for the payment of its fees and expenses incurred in the amount of $250,000

WHEREFORE, NatTel respectfully requests that the Court grant NatTel's Administrative Expense Claim Request in full

Dated October 21, 2005

Respectfully submitted,

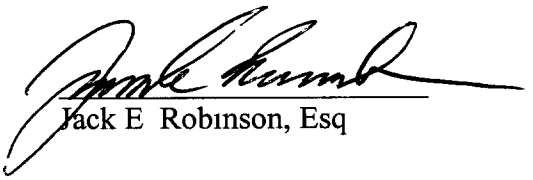
NATTEL, LLC



Jack E Robinson, Esq
President
NatTel, LLC
2187 Atlantic Street
Stamford, CT 06902
(203) 425-4500

VERIFICATION

I hereby verify under penalty of perjury, pursuant to 28 U S C § 1746(2), that the foregoing factual averments contained herein are true and accurate to the best of my knowledge Executed on this 21st day of October, 2005



Jack E Robinson, Esq