

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:)	
)	Chapter 11
ATA AIRLINES, INC.)	Case No. 08-03675-BHL-11
)	
Debtor)	

DEBTOR’S APPLICATION FOR INTERIM ORDER APPROVING THE RETENTION OF HAYNES AND BOONE, LLP AS COUNSEL TO THE DEBTOR PURSUANT TO 11 U.S.C. § 327(a) <i>NUNC PRO TUNC</i> TO THE PETITION DATE AND FOR ENTRY OF A FINAL ORDER IN ACCORDANCE WITH FED. R. BANKR. P. 6003	Hearing: April 4, 2008 10:00 a.m. EDT Location: U.S. Courthouse 121 W. Spring Street Room 103 New Albany, IN 47150 Telephonic Participation Dial-In: 1-800-446-2106 Passcode: 7875464#
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**DEBTOR’S APPLICATION FOR INTERIM ORDER APPROVING
THE RETENTION OF HAYNES AND BOONE, LLP AS COUNSEL TO
THE DEBTOR PURSUANT TO 11 U.S.C. § 327(a) *NUNC PRO TUNC*
TO THE PETITION DATE AND FOR ENTRY OF A FINAL ORDER
IN ACCORDANCE WITH FED. R. BANKR. P. 6003**

ATA Airlines, Inc. (the “Debtor”), files this Debtor’s Application for Interim Order Approving the Retention of Haynes and Boone, LLP as Counsel to the Debtor Pursuant to 11 U.S.C. § 327(a) *Nunc Pro Tunc* to the Petition Date and for Entry of a Final Order in Accordance with Fed. R. Bankr. P. 6003 (the “Application”). In support of the Application, the Debtor relies on the *Declaration of Steven S. Turoff in Support of Debtor’s First Day Motions* and the *Unsworn Declaration of Kenric D. Kattner In Support of Debtor’s Application for Employment of Haynes and Boone, LLP as Attorneys for Debtor Nunc Pro Tunc to the Petition Date Pursuant to 11 U.S.C. §329 and FED. R. BANKR. P. 2014 and 2016* (the “Kattner Declaration”).

Jurisdiction

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

Background¹

A. The Bankruptcy Case and the Debtor's Corporate Structure

2. On April 2, 2008 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Court").²

3. The Debtor is an Indiana corporation and is a wholly owned subsidiary of New ATA Acquisition, Inc. ("ATA Acquisition"). ATA Acquisition is a wholly owned subsidiary of New ATA Investment, Inc. ("ATA Investment"), and ATA Investment is a wholly owned subsidiary of Global Aero Logistics, Inc. ("Global Aero"). ATA Acquisition also owns another holding company subsidiary, World Air Holdings, Inc. ("World Air"), which it acquired through a merger transaction completed in August 2007. World Air owns and operates two other airlines – World Airways and North American Airlines. None of the entities in the Global Aero corporate family (other than the Debtor) have sought bankruptcy protection contemporaneously with the filing of the Debtor's bankruptcy case.

¹ A more complete discussion of the factual background concerning the Debtor and the circumstances leading to the filing of its bankruptcy case is contained in the *Declaration of Steven S. Turoff in Support of Debtor's First Day Motions*.

² In October 2004, the Debtor, together with its former parent ATA Holdings Corp. and certain other affiliated debtors (collectively, the "2004 Debtors") filed voluntary petitions for bankruptcy under chapter 11 of the Bankruptcy Code in this Court. These chapter 11 cases were administratively consolidated under Bankr. Case No. 04-19866. The 2004 Debtors emerged from bankruptcy in February 2006 with a new capital structure pursuant to a confirmed plan of reorganization. In general, under the confirmed plan, certain of the 2004 Debtors were substantively consolidated into the current reorganized ATA Airlines, Inc. ATA Holdings Corp. was not included in this substantive consolidation and was administratively dissolved. New ATA Holdings, Inc. was founded and later became Global Aero Logistics, Inc., the Debtor's ultimate corporate parent. The 2004 bankruptcy case is still pending; however, the confirmed plan has been substantially consummated.

4. The Debtor is a diversified international passenger airline that operates in two principal business segments: (a) a low cost carrier operation providing scheduled passenger service that leverages a code share agreement with Southwest Airlines and (b) a charter operation focusing primarily on providing charter service to the United States government/military.

5. The Debtor's administration, flight operations and FAA-certified maintenance and engineering center are headquartered in Indianapolis, Indiana. The Debtor employs approximately 2,230 employees, of which about 70% are unionized employees.

6. The Debtor's principal assets include a fleet of 32 owned and/or leased aircraft. These aircraft include 12 Boeing 737-800, six Boeing 757-200, four Boeing 757-300, four Lockheed L-1011-500, and six McDonnell Douglas DC-10-30.³ Of these aircraft, 29 are still operational and are listed on the Debtor's operating certificate, one L-1011 is currently in storage, and two of the DC-10-30s are on ramp at a maintenance facility. The Debtor also owns and/or leases miscellaneous spare engines and spare parts, including rotables.

B. Debt and Capital Structure

7. The Debtor has certain secured debt obligations in connection with a secured term facility obtained by its parent (ATA Acquisition), secured equipment obligations, and aircraft and other lease obligations common in the airline industry. A more complete discussion of the Debtor's debt and capital structure is contained in the *Declaration of Steven S. Turoff in Support of Debtor's First Day Motions*.

Relief Requested And Basis Therefor

8. The Debtor seeks the entry of an interim order authorizing the Debtor's retention and employment of Haynes and Boone, LLP ("Haynes and Boone" or the "Firm") as attorneys

³ The Debtor owns the four L-1011 aircraft (subject to certain security interests held by secured lenders), and it leases the remaining aircraft in its fleet from various lessor parties.

for the Debtor *nunc pro tunc* to the Petition Date. The Debtor further requests the entry of a final order approving the Debtor's retention and employment of Haynes and Boone.

9. The Debtor believes that Haynes and Boone and its attorneys are qualified to advise and represent the Debtor in this chapter 11 case, including in respect to the Debtor's relations with, and responsibilities to, the creditors and other interested parties in the Debtor's bankruptcy case.

10. The Debtor seeks to retain Haynes and Boone as its attorneys for, among others, the following reasons:

- a. Haynes and Boone, with a bankruptcy section of 31 attorneys, has extensive experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under Chapter 11 of the Bankruptcy Code. Haynes and Boone has expertise, experience, and knowledge practicing before bankruptcy courts throughout the United States. Haynes and Boone also has extensive experience in the representation of airlines in chapter 11 bankruptcy cases. Haynes and Boone's appearance before this Court for the matters in these Chapter 11 cases will be efficient and cost effective for the Debtor's estate.
- b. Haynes and Boone is a full-service law firm with experience and expertise in all other legal areas that may arise during the Debtor's bankruptcy case, including corporate finance, labor, insurance, environmental, tax, ERISA, and litigation.
- c. Haynes and Boone has expended significant resources over the last month working with the Debtor to prepare for this bankruptcy filing. In the process, Haynes and Boone has become extremely familiar with the Debtor's business operations and legal obligations to various creditors constituencies. Haynes and

Boone has participated in the negotiations with the Debtor's creditor constituencies. If the Debtor is required to retain counsel other than Haynes and Boone, the Debtor would incur additional expenses and delays associated with familiarizing new counsel with the intricacies of the Debtor's financial affairs and business operations.

11. Based upon the foregoing, the Debtor believes that Haynes and Boone is both well qualified and uniquely able to represent it in its chapter 11 bankruptcy case. The Debtor further believes that Haynes and Boone can effectively and efficiently represent it as bankruptcy counsel in the Debtor's chapter 11 bankruptcy case.

12. Subject to Court approval, and in accordance with section 330(a) of the Bankruptcy Code, compensation will be payable to Haynes and Boone on an hourly basis, plus reimbursement of actual, necessary expenses incurred by the Firm and consistent with any Order authorizing interim compensation procedures entered by this Court. The primary attorneys and paralegals within the Firm who will represent the Debtor and their current standard hourly rates are set forth below:

a. Lenard M. Parkins, Partner	\$825.00 per hour
b. Judy Elkin, Partner	\$775.00 per hour
c. Kenric D. Kattner, Partner	\$595.00 per hour
d. Blaine F. Bates, Partner	\$515.00 per hour
e. Doug H. Edwards, Partner	\$495.00 per hour
f. Kourtney Lyda, Associate	\$435.00 per hour
g. Jason Nagi, Associate	\$415.00 per hour
h. Brooks Hamilton, Associate	\$330.00 per hour

- i. Jason Binford, Associate \$330.00 per hour
- j. Jermaine Johnson, Paralegal \$210.00 per hour

13. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. From time to time, other attorneys and paralegals from the Firm may serve the Debtor in connection with and related to the matters herein described.

14. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy, in all areas of practice, to charge its clients for all additional expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and other charges, mail and express mail charges, special or hand delivery charges, photocopying charges, travel expenses, expenses for "working meals," and computerized research. Haynes and Boone will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to Haynes and Boone's other clients. Haynes and Boone believes that it is fair to charge these expenses to the clients incurring them rather than to increase the hourly rates and spread the expenses among all clients.

15. Prior to the Petition Date, Haynes and Boone received a prepetition retainer in the amount of \$1,000,000 for services to be rendered in connection with this case (the "Retainer"). Pursuant to Local Rule B-2014-1(d), Haynes and Boone requests authority to hold the Retainer without any application to payment of fees and expenses until final approval by the Court of Haynes and Boone's final application for fees and expenses. The Firm requests that any allowed interim fees and expenses will be paid pursuant to the terms of any Order entered by the Court authorizing the payment of interim compensation in this case with such interim compensation to

be paid from other estate assets. The Retainer is held by the Firm in its Trust Account, subject to Court order pursuant to the Firm's applications for compensation to be filed in this case.

16. The professional services Haynes and Boone will render are summarized as follows:

- a. To give advice to the Debtor with respect to its powers and duties as debtor-in-possession under the Bankruptcy Code, the continued management of its business operations and any orderly shutdown of its business operations;
- b. To advise the Debtor with respect to its responsibilities in complying with the U.S. Trustee's Operating Guidelines and Reporting Requirements and with the rules of the Court;
- c. To prepare and file motions, orders, applications, other pleadings, adversary proceedings, and other legal documents on behalf of the Debtor as may be necessary in the administration of the case;
- d. To represent the Debtor and to protect the interest of the Debtor in all matters pending before the Court; and
- e. To represent the Debtor in negotiations with its creditors.

17. To the best of the Debtor's knowledge, and except as set forth in the Kattner Declaration, attached hereto as Exhibit A, Haynes and Boone has no connection with the creditors or other parties-in-interest or their respective attorneys that would prevent Haynes and Boone from representing the Debtor. Haynes and Boone does not hold or represent any interest adverse to the Debtor's estate. Haynes and Boone is a disinterested person as the term is defined by the Bankruptcy Code.

Supporting Authority

18. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to Court approval:

[M]ay employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor]'s duties under this title.

11 U.S.C. § 327(a).

19. Bankruptcy Rule 2014(a) requires that the application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

20. Pursuant to the recently revised Bankruptcy Rule 6003, the court may grant relief regarding an application pursuant to Bankruptcy Rule 2014 to retain a professional within 20 days after the filing of the petition to the extent relief is necessary to avoid immediate and irreparable harm. Bankruptcy Rule 6003, however, does not expressly forbid courts from entering interim orders approving professional retentions during the first 20 days of a chapter 11 case. *See, e.g., First NLC Fin. Servs, LLC*, No. 08-10632-BKC-PGH, 2008 WL 268428 (Bankr. S.D. Fla., Jan. 28, 2008); *In re Touse, Inc.*, Case No. 08-10928-BKC-JKO (Bankr. S.D. Fla., Jan. 31, 2008) (Docket No. 15) (approving interim retentions of financial advisor and legal counsel on interim basis on the same terms as set forth in the proposed order annexed hereto within 20 days of a chapter 11 case); *In re Aloha Airlines, Inc.*, Case No. 08-00337 (Bankr. D. Haw. Mar.

21, 2008) (Docket No. 58) (approving interim retention of debtors' counsel within one day of a chapter 11 case).

21. First, according to the Advisory Committee note to Bankruptcy Rule 6003, the standard employed in Bankruptcy Rule 6003 is taken from Bankruptcy Rule 4001(b)(2) and (c)(2), and decisions under those provisions should provide guidance for the application of Bankruptcy Rule 6003. Bankruptcy Rules 4001(b)(2) and (c)(2) are well understood and are the model for numerous first-day motions, such as obtaining credit and seeking use of cash collateral. That process is well established: if the court is so disposed, the partial relief is granted for the interim application before the final hearing can be conducted. Later, after further opportunity for other parties in interest to consider the application, the court, if so disposed, will grant the balance of the relief requested.

22. Second, Bankruptcy Rule 6003 is entitled "Interim and Final Relief Immediately Following the Commencement of the Case" Thus, the very title of the Bankruptcy Rule contemplates that relief may be granted on an interim basis.

23. Interim relief is clearly justified and appropriate in the context of this application. It is well recognized in this circuit and in others that a corporation must be represented by counsel to appear in court because it is merely an artificial entity that can only act through its agents and thus may not appear pro se. *See, e.g., Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1427 (7th Cir. 1985) ("A corporation is an abstraction, and abstractions cannot appear pro se."); *see also In re K.M.A., Inc.*, 652 F.2d 398, 399 (5th Cir. 1981) ("The law is clear that a corporation as a fictional legal person can only be represented by licensed counsel."); *Jones v. Niagara Frontier Transp. Authority*, 722 F.2d 20, 22 (2d Cir. 1983) ("[I]t is well established that

a corporation, which is an artificial entity that can only act through agents, cannot proceed pro se.”).

24. Without counsel, the Debtor is technically unable to proceed with this case. Haynes and Boone, acting as counsel to the Debtor, will play an integral role in the first 20 days of this chapter 11 case in all of the Debtor’s key work efforts during this critical period. Among other things, the Debtor will need Haynes and Boone’s assistance in preserving the value of its estate, negotiating with key creditor constituencies, addressing issues related to the first day hearing and related orders, constructing a chapter 11 plan and defining the Debtor’s strategies going forward.

25. Accordingly, the Debtor submits that it has satisfied the requirements of Bankruptcy Rule 6003 to support immediate entry of an interim order, substantially in the form attached hereto, authorizing the Debtor to retain and Haynes and Boone on an interim basis and to compensate Haynes and Boone for any service rendered during that interim period in accordance with the Bankruptcy Code and the interim compensation procedures that may be established in this case. This interim form of relief ensures the availability of Haynes and Boone’s full resources to the Debtor during a critical period in this case, while preserving the ability of all parties in interest, including the U.S. Trustee, to consider this application on a final basis. The form of the proposed order granting this application clearly and unequivocally preserves any objections of all creditors and parties in interest to the final hearing on this application and further provides that any such objections will be considered de novo. Accordingly, no party is prejudiced by the limited relief sought by this application and the objective of the drafters of Rule 6003 is not frustrated.

26. The Debtor also requests the entry of a final order authorizing the Debtor's retention and employment of Haynes Boone upon a final hearing on the Application.

Notice

27. Notice of Notice of this Motion has been given to parties on the Initial Service List, as provided under Local Rule B-2002-1(c)(2).

28. Contemporaneously with the filing of this Motion, the Debtor has filed its Request for Expedited Treatment of the Motion Pursuant to Local Rule B-9006-1.

Coordination with the United States Trustee

29. Prepetition, the Debtor's counsel conferred with the United States Trustee regarding the relief requested in this Application.

WHEREFORE, the Debtor respectfully requests entry of interim and final orders authorizing retention of Haynes and Boone, LLP on a general retainer, pursuant to 11 U.S.C. §§ 327 and 330.

Dated: April 3, 2008, 2008

Respectfully submitted,

ATA AIRLINES, INC.

By: /s/ Steven S. Turoff
Its: Chief Restructuring Officer

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:)	
)	Chapter 11
ATA AIRLINES, INC.)	Case No. 08-03675-BHL-11
)	
Debtor)	

**INTERIM ORDER GRANTING DEBTOR’S APPLICATION FOR AN ORDER
APPROVING THE RETENTION OF HAYNES AND BOONE, LLP AS COUNSEL TO
THE DEBTOR PURSUANT TO 11 U.S.C. § 327(a) *NUNC PRO TUNC*
TO THE PETITION DATE**

This Court has considered the Application for Interim Order Approving the Retention of Haynes and Boone, LLP as Counsel to the Debtor Pursuant to 11 U.S.C. § 327(a) *Nunc Pro Tunc* to the Petition Date and for Entry of a Final Order in Accordance with Fed. R. Bankr. P.6003 (the “Application”) filed by ATA Airlines, Inc. (the “Debtor”). The Application requests entry of interim and final orders pursuant to sections 105(a), 327, 328, and 330 of the United States Bankruptcy Code (the “Bankruptcy Code”), authorizing the Debtor’s retention and employment of Haynes and Boone, LLP (“Haynes and Boone”) as attorneys for the Debtor *nunc pro tunc* to the Petition Date. The Court finds that (i) it has jurisdiction over the matters raised in the

Application pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Application is in the best interests of the Debtor, its estate, and creditors; (iv) proper and adequate notice of the Application and the hearing thereon has been given and that no other or further notice is necessary; (v) Haynes and Boone (a) holds no interest adverse to the Debtor or its estate in the matters upon which it is sought to be engaged; (b) is a disinterested person as that term is defined pursuant to 11 U.S.C. § 101(14) and as required by 11 U.S.C. § 327; and (c) has disclosed any connections with parties and the source of the retainer paid to Haynes and Boone as required by Bankruptcy Rule 2014; (vi) none of the representations or engagements set out in the Unsworn Declaration of Kenric D. Kattner in Support of Debtor's Application for Employment of Haynes and Boone, LLP as Attorneys for Debtor constitutes a conflict-of-interest or impairs the disinterestedness of Haynes and Boone or otherwise preclude the Debtor's retention of Haynes and Boone in this case; and (vii) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein.

Therefore,

IT IS HEREBY ORDERED THAT:

1. The Application is granted on an interim basis.
2. The Debtor is authorized, on an interim basis, to employ Haynes and Boone as counsel for the Debtor pursuant to 11 U.S.C. §§ 327 and 330 *nunc pro tunc* to the bankruptcy Petition Date (as defined in the Application).
3. The Court shall conduct a final hearing (the "Final Hearing") on the Application on _____ at _____ a.m./p.m. at the United States Bankruptcy Court, Southern District of Indiana, 46 E. Ohio Street, Room _____, Indianapolis, Indiana 46204.

Objections, if any, to the retention of Haynes and Boone shall be filed no later than three (3) business days prior to the Final Hearing.

4. Entry of this Interim Order is without prejudice to the rights of any party-in-interest to interpose an objection to the Application, and any such objection will be considered on a *de novo* standard at the Final Hearing.

###

Requested:

Terry E. Hall (#22041-49)
Baker & Daniels, LLP
300 N. Meridian Street
Suite 2700
Indianapolis, Indiana 46204
Telephone: (317) 237-0300
Facsimile: (317) 237-1000
terry.hall@bakerd.com

Distribution:

Master Service List

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:)	
)	Chapter 11
ATA AIRLINES, INC.)	Case No. 08-03675-BHL-11
)	
Debtor)	

**UNSWORN DECLARATION OF KENRIC D. KATTNER
IN SUPPORT OF DEBTOR'S APPLICATION FOR EMPLOYMENT OF
HAYNES AND BOONE, LLP AS ATTORNEYS FOR DEBTOR
NUNC PRO TUNC TO THE PETITION DATE
PURSUANT TO 11 U.S.C. § 329 AND FED.R.BANKR.P. 2014 AND 2016**

Kenric D. Kattner, states and declares:

1. **Background.** I am an attorney licensed to practice law in the State of Texas and have been a member in good standing of the Bar since 1988. I am also admitted to practice before the United States District Courts for the Northern, Southern, Eastern, and Western Districts of Texas, and the Eastern and Western Districts of Arkansas; and the United States Bankruptcy Court for the Northern, Southern, Eastern, and Western Districts of Texas.

2. I am a partner in the law firm of Haynes and Boone, LLP ("Haynes and Boone," or the "Firm"). My office address is 1221 McKinney Street, Suite 2100, Houston, Texas 77010. My contact information is (713) 547-2000 (telephone), (713) 236-5490 (facsimile), and kenric.kattner@haynesboone.com (e-mail).

3. I make this declaration in support of the Debtor's Application for Employment of Haynes and Boone, LLP as Attorneys for Debtor Nunc Pro Tunc to the Petition Date Pursuant to 11 U.S.C. § 329 and Fed.R.Bankr.P 2014 and 2016 (the "Application"), filed by ATA Airlines,

Inc. (the “Debtor”). The Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on April 2, 2008 (the “Petition Date”).

4. **General Statement.** Haynes and Boone does not represent any interest adverse to the Debtor or the estate, as required by 11 U.S.C. §§ 327(a) and 328(a), and is a disinterested person. In preparation for making this declaration, Haynes and Boone performed a review of the connections with the following parties identified on Exhibit 1, who include (i) the parties to the Debtor’s aircraft lease financing transactions, (ii) maintenance and parts providers to the Debtor, (iii) known secured parties, (iv) the forty-eight (48) largest unsecured creditors of the Debtor as of March 13, 2008 (comprised of all unsecured creditors who were owed, as of March 13, 2008, more than \$50,000), (v) the U.S. Trustee and persons employed in the office of the U.S. Trustee, and (vi) certain other parties that may have an interest in the Debtor’s Chapter 11 case. Exhibit 2 sets forth the connections between Haynes and Boone and these parties including those reflected in the Haynes and Boone conflicts management system. Certain of these connections are more fully described below. In light of the extensive number of creditors and other parties in interest involved in these cases, it is possible that Haynes and Boone has not been able to identify all such potential connections. To the extent that I or the Firm become aware of any additional connections, I will promptly file a supplemental declaration.

5. Except for the continuing representation of the Debtor, the Firm has not represented nor will it represent any other entity in connection with this case, and the Firm will not accept any fee from any other party or parties in this case, except the Debtor. All of such prospective fees will be subject to this Court’s approval.

6. **Search Methods.** We have utilized the Firm’s conflicts database management system (the “System”), which is designed to reveal the potential for conflicts of interest and other

connections to existing and former clients and to many thousands of third parties never represented by the Firm. Such results are printed and have been reviewed by Doug Edwards and Blaine Bates, partners in Haynes and Boone's Business Reorganization and Bankruptcy Section. We have contacted individual attorneys of the Firm shown on the System report as having previously submitted relevant connections information to the System. From such attorneys we have obtained information and guidance with regard to the particular connections reflected.

7. **References to the Debtor.** The System reflects no information that would suggest that the Firm is adverse to the Debtor. To ensure that no attorney in the Firm will hereafter inadvertently commence representation directly adverse to the Debtor, our System has now been programmed with a "block" to require that no such representation or relationship may commence without first obtaining specific clearance from me—a clearance that will not be given as long as the Firm is engaged as court-approved counsel to the Debtor.

8. **Parties-in-Interest.** In order to go beyond the level of inquiry as to our past representation of the Debtor, and to take those steps necessary to prevent future conflicts from arising, Haynes and Boone conducted a search for connections between the Firm and the various principal parties-in-interest in these bankruptcy cases. As expected, while the results of these searches revealed no conflict of interest with regard to the Firm's anticipated continued representation of the Debtor, fifteen (15) connections to parties-in-interest were revealed.¹ Those connections are specifically outlined in the attached Exhibit 2 to this Declaration. Except as expressly provided otherwise in Exhibit 2, each of the connections referred to in Exhibit 2 is a present or former representation of a party-in-interest or its affiliate in matters wholly unrelated to the Debtor. Nevertheless, each relationship constitutes a "connection" that we feel should be

¹Although the Firm does not believe that any conflicts of interest exist with respect to its representation of the Debtor, out of an abundance of caution, the Firm has obtained waivers from various parties. These waivers are attached hereto collectively as Exhibit 3 to this Declaration and will be served pursuant to Local Rule B-2014(c).

disclosed to the Court for these purposes. After diligent investigation, examination, and analysis, Haynes and Boone does not believe that a conflict of interest exists with respect to its representation of the Debtor and any of the current representations described in Exhibit 2.

9. **Compensation Issues.** Prior to the Petition Date, Haynes and Boone received a prepetition retainer in the amount of \$1,000,000 for services to be rendered in connection with these cases (the “Retainer”). The Retainer is held by the Firm in its Trust Account, subject to Court order pursuant to the Firm’s final application for compensation to be filed in this case.

10. Haynes and Boone has been paid \$818,629.99 through April 2, 2008 as compensation for services rendered and costs incurred for the one year period prior to the chapter 11 Petition Date. As of the Petition Date, Haynes and Boone was not owed any fees or expenses for services rendered prior to the Petition Date. Haynes and Boone is not a creditor of, and asserts no prepetition claim against, the Debtor. Haynes and Boone has not shared, nor agreed to share (a) any compensation it has received or may receive with another part or person, other than with the partners, counsel and associates of Haynes and Boone, or (b) any compensation another person or party has received or may receive from the Debtor.

11. Subject to Court approval, and in accordance with section 330(a) of the Bankruptcy Code, compensation will be payable to Haynes and Boone on an hourly basis, plus reimbursement of actual, necessary expenses incurred by the Firm. The primary attorneys and paralegals within the Firm who will represent the Debtor and their current standard hourly rates are set forth below:

- | | |
|-------------------------------|-------------------|
| a. Lenard M. Parkins, Partner | \$825.00 per hour |
| b. Judy Elkin, Partner | \$775.00 per hour |
| c. Kenric D. Kattner, Partner | \$595.00 per hour |

d. Blaine F. Bates, Partner	\$515.00 per hour
e. Doug H. Edwards, Partner	\$495.00 per hour
f. Kourtney Lyda, Associate	\$435.00 per hour
g. Jason Nagi, Associate	\$415.00 per hour
h. Brooks Hamilton, Associate	\$330.00 per hour
i. Jason Binford, Associate	\$330.00 per hour
j. Jermaine Johnson, Paralegal	\$210.00 per hour

12. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. From time to time, other attorneys and paralegals from the Firm may serve the Debtor in connection with the matters herein described as well as the Debtor's general corporate needs.

13. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals. It is the Firm's policy, in all areas of practice, to charge its clients for all additional expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and other charges, mail and express mail charges, special or hand delivery charges, photocopying charges, travel expenses, expenses for "working meals," and computerized research. Haynes and Boone will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to Haynes and Boone's other clients. Haynes and Boone believes that it is fair to charge these expenses to the clients incurring them rather than to increase the hourly rates and spread the expenses among all clients.

14. **Benefit to the Estate.** The employment of Haynes and Boone will be beneficial to the Debtor's chapter 11 case because of the Firm's knowledge and familiarity with the Debtor and its legal obligations to its creditors.

15. The Firm has not, and will not, represent the individual interests of the Debtor's Board of Directors or any equity owners of the Debtor, nor the individual interests of any of the Debtor's management.

16. **Conclusion.** In view of the foregoing, I believe that Haynes and Boone (i) does not hold or represent an interest adverse to the estates, and (ii) is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code. The Firm recognizes, and takes very seriously, its continuing responsibility to be aware of, and to further disclose, any relationship or connection between it and other parties-in-interest to the Debtor's bankruptcy estate and case as they appear or become recognized during the case. Accordingly, we reserve the right to, and shall, supplement this disclosure if necessary as more information becomes available to us. The foregoing constitutes my statement and that of Haynes and Boone pursuant to section 327 of the Bankruptcy Code and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure.

17. I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct.

/s/ Kenric D. Kattner
Kenric D. Kattner
Partner, Haynes and Boone, LLP

Exhibit 1

Party Name

Aerotech
Air Alliance
Air Dispatch Ltd
Air Transportation Stabilization Board (ATSB)
Aircraft Service International
Ala Moana Hotel
Amsafe
Applied Composite
ATA Airlines, Inc.
Aviall
Aviation Safeguards LGA
Avid Airline Products Corp.
Babcock & Brown
Babcock & Brown Air Funding Ltd Rental Account
Bank of America
BCC Equipment Leasing Corporation
Be Aerospace Inc.
Blade Engine Securitization Ltd.
Boeing Commercial Airplane Grp
Budapest Aeroservice Kft.
Cadle Company II, Inc.
Celeste Industries Corp.
Certified Aviation Services Inc.
Citibank f/b/o Macquarie Collections Account
City of Chicago – Revenue
Corintha Grand Hotel Royal
Custom Products
Deutsche Bank
Deutsche Bank Trust Company Americas
Encompassair Ltd
Euravia
Federal Express Corp.
Flying Food Group
Flying Food Services
Gate Gourmet
GE Capital
GECAS
Global Aero Logistics Inc.
Goodrich
Goodrich Aircraft Wheels & Brakes
Goodyear
Hamilton Sundstram
Hamilton Sundstrand
Honeywell
I.L.F.C.
Inertial
International Lease Finance Corporation (ILFC)
IPECO

Party Name

Jd Factors LLC-Trans Pacific Aviation
Jeffries Finance, LLC
Jeppesen Sanderson
Jet-i Leasing LLC
JPMorgan Chase Bank, N.A.
Keller Services LLC
L-3 Communications
Lantel
Le Bas International
LHT
LKF Marketing Inc
Lsg Sky Chefs
Lufthansa Technik
MacQuarie (GATX)
Macquarie AirFinance Group
Maryland Aviation Admin.
Matlin Patterson
Maui Coast Hotel
Medaire, Inc.
Metropolitan Washington Airport Authority
Michael Lewis Company
Microsoft Licensing Gp
MK Leasing
MK Leasing
Mohawk
Nancy J. Gargula
North American Airlines, Inc.
Oliver Wyman
Pan Am Int'L Flight Academy
Port Authority Of NY & NJ
Port of Oakland
Precision Response Corporation
Regent / Airbase
Rockwell Collins Inc
Rolls Royce
Ronald J. Moore
Ryan International Airlines
SAA
Savoya LLC
Servisair USA
State of Hawaii
STS
Sts Services, Inc.
Swissport Usa, Inc.
TAESL
TAP
The Cadle Co II, Inc.
Timco
Timco Aviation
Trans Pacific Aviation

Party Name

Transportation Security Administration (TSA)

Triumph

Unical

V10A Investors LLC

V21A-DC10 LLC

Victorville Aerospace

VX

Vx Capital Partners LLC

Wells Fargo Bank Minnesota, N.A.

Wilmington Trust

Wilmington Trust Company

World Air Holdings, Inc.

World Airways Parts Company, LLC

World Airways, Inc.

World Risk Solutions, Ltd.

Worldwide Flight Svcs

Exhibit 2

- a. The Firm has, in the recent past, represented JPMorgan Chase Bank (“JPMorgan”) in matters unrelated to the Debtor and this bankruptcy case. The Firm is not currently accepting new representations from JPMorgan. The Firm is currently representing JPMorgan only in connection with a term loan wholly unrelated to this case. JPMorgan is the largest secured creditor of the Debtor. The Firm has a standing waiver letter from JPMorgan, a copy of which is included in Exhibit 3.
- b. The Firm represented AMR Corporation (American Airlines) and other related entities (“AA”) as a lessor to the Debtor and ATA Holdings Corp. (a now-defunct entity) in the prior ATA bankruptcy/reorganization with respect to certain objections that have been resolved. AA was a counterparty (as a lessor) to one or more aircraft leases with the Debtor. AA is not listed as a current lessor or creditor of the Debtor. AA has other claims in the prior ATA bankruptcy/reorganization, but none of these claims are currently subject to an objection.
- c. The Firm represented Bank of America, N.A. (“Bank of America”) in connection with securities law issues concerning the distribution of stock to Bank of America in the prior ATA bankruptcy/reorganization. No time has been billed to this matter since October 2006 and the matter has been closed. The Firm does continue to represent Bank of America in other matters wholly unrelated to the Debtor and this bankruptcy case. Bank of America is currently a secured creditor of the Debtor with liens on two L1011 aircraft. The Firm has received a waiver letter from Bank of America with respect to the Firm’s representation of ATA, a copy of which is included in Exhibit 3.
- d. Deutsche Bank Trust Company Americas (“Deutsche Bank Trust”) is the collateral agent for several entities that are the owner, lessor, or owner/participant of a total of two aircraft and three engines that are leased by the Debtor as lessee. The Firm is currently representing Deutsche Bank, Deutsche Bank AG New York, and Deutsche Bank Securities, Inc. in various financing transactions wholly unrelated to the Debtor and this bankruptcy case. The Firm has received a waiver letter from these Deutsche Bank entities with respect to the Firm’s representation of ATA, a copy of which is included in Exhibit 3.
- e. In the past, the Firm represented Kinko’s, Inc. (“Kinko’s”) on intellectual property matters. In 2004, Kinko’s was purchased by Federal Express Corporation. Kinko’s is now known as FedEx Kinko’s Office & Print Services, Inc. (“FedEx Kinko’s”), and is a wholly-owned subsidiary of Federal Express Corporation (“FedEx”). The Firm continued to represent FedEx Kinko’s for approximately one year after the FedEx acquisition in two minor intellectual property matters wholly unrelated to the Debtor and this bankruptcy case. FedEx is one of the twenty (20) largest unsecured creditors of the Debtor. The Firm has not represented FedEx and no longer represents FedEx Kinko’s and all matters with respect to FedEx Kinko’s have been closed.

- f. The Firm has formerly represented Timco Aviation Services, Inc. ("Timco") in a matter wholly unrelated to the Debtor and this bankruptcy case. The Firm does not currently represent Timco. Timco is listed as an unsecured creditor of the Debtor.
- g. The Firm has formerly represented LSG Sky Chefs in a matter wholly unrelated to the Debtor and this bankruptcy case. The Firm does not currently represent LSG Sky Chefs. LSG Sky Chefs is listed as an unsecured creditor of the Debtor.
- h. An attorney who is no longer with the Firm formerly represented Ala Moana Hawaii Properties in a matter wholly unrelated to the Debtor and this bankruptcy case. The Firm does not currently represent Ala Moana Hawaii Properties. Ala Moana Hotel is listed as an unsecured creditor of the Debtor and may be related to the Ala Moana Hawaii Properties.
- i. Prior to June 2000, an attorney who is no longer with the Firm represented BE Aerospace, Inc. ("BE Aerospace") in a matter wholly unrelated to the Debtor and this bankruptcy case. The Firm does not currently represent BE Aerospace. BE Aerospace is an unsecured creditor of the Debtor.
- j. The Firm represented Gemini Air Cargo, Inc. ("Gemini") in its chapter 11 bankruptcy case. World Airways, Inc. and World Air Holdings, Inc., affiliates of the Debtor, were creditors of Gemini in its chapter 11 bankruptcy case. The Gemini bankruptcy case is closed.
- k. Aviall, Inc. ("Aviall") is a parts vendor for the Debtor, but is not listed as one of the Debtor's forty-eight (48) largest unsecured creditors. The Firm currently represents Aviall in matters wholly unrelated to the Debtor and this bankruptcy case.
- l. Goodyear Tire & Rubber Company ("Goodyear") is a tire vendor for the Debtor, but is not listed as one of the Debtors' forty-eight (48) largest unsecured creditors. The Firm currently represents Goodyear in matters wholly unrelated to the Debtor and this bankruptcy case.
- m. Wells Fargo Bank Northwest, N.A. and/or Wells Fargo Bank Minnesota, N.A. are the owner trustee on the leases of various aircraft that the Debtor leases from BCC Equipment Leasing Corp. In the past, the Firm represented Wells Fargo Bank Minnesota, N.A. in matters unrelated to the Debtor and this bankruptcy case. The Firm does not currently represent Wells Fargo Bank Minnesota in any matters. The Firm currently represents Wells Fargo Bank, N.A. in matters wholly unrelated to the Debtor and this bankruptcy case.
- n. Macquarie AirFinance Group is the lessor of one of the Debtor's aircraft. The Firm currently represents Macquarie Bank Limited (who may be an affiliate of Macquarie AirFrance Group) in a Mexican insolvency proceeding involving agricultural loans. This matter is wholly unrelated to the Debtor and this bankruptcy case.

- o. L-3 Communications Corporation (“L-3”) is a maintenance provider for the Debtor, but is not listed as one of the Debtor’s forty-eight (48) largest unsecured creditors. The Firm currently represents L-3 in employment and litigation matters wholly unrelated to the Debtor and this bankruptcy case. The Firm represents L-3 Communications Integrated Systems, LP in government contracting matters, unrelated to the Debtor and this bankruptcy case.

Exhibit 3



Stuart D. Fishman
Executive Director
Assistant General Counsel
Legal Department

HAYNES & BOONE

APR 26 2007

RECEIVED

April 18, 2007

Jeff Civins, Esq.
Haynes and Boone LLP
600 Congress Avenue
Suite 1300
Austin, Texas 78701-3285

Dear Jeff:

We have requested that your firm represent J.P. Morgan Chase & Co. or one or more of its subsidiaries ("JPMC") as local counsel in connection with the financing of the proposed buyout of TXU Corporation by Texas Pacific Group and Kohlberg Kravis Roberts (the "TXU Transaction"). Your letter of March 20, 2007 states that your firm also has represented the Outside Litigation Committee, the Governance Committee, the Compensation Committee and the Audit Committee of the Board of Directors of TXU Corporation ("Other Client") in connection with various matters (the "Other Transactions"). Because this representation would constitute a potential conflict of interests within the meaning of applicable lawyer codes, you have requested that JPMC consent to the representation. You have represented to us that your representation of the Other Client would not have an adverse effect on your independent professional judgment on our behalf.

In addition, your letter of April 6, 2007, supplementing your letter of March 20, 2007 states that your firm may have been, or may be, now or in the future, adverse to JPMC in matters unrelated to the TXU Transaction and requests that JPMC waive its rights, if any to assert a conflict of interests with respect to, and consent to, your firm's representation of other clients (the "Unrelated Clients") whose interests are adverse or potentially adverse to JPMC in matters that are not substantially related to the TXU Transaction and that relate to or arise out of debtor-creditor matters, including lending matters, intercreditor matters, workouts or bankruptcy cases, and related claims, adversary proceedings and litigation matters; investment banking services; and other transactional matters, including real estate, leasing and licensing (collectively, the "Unrelated Matters").

JPMC hereby consents to the representation of the Other Client in the Other Transactions, provided that lawyers in your firm who normally work on JPMC matters will not participate in the representation of the Other Client.¹ This consent extends only to the representation of the Other Client in connection with the Other Transactions and does not extend to any actual or potential Litigation with JPMC (including its affiliates, agents, directors and employees). "Litigation" includes litigation, arbitration, bankruptcy, adversary proceeding, contested motion, or alternative dispute resolution process where your firm is directly adverse to JPMC, including actions where your firm seeks (i) damages, a money judgment, or equitable relief against JPMC; (ii) the avoidance, disallowance, or subordination of a JPMC claim or lien, including without limitation any challenge as to the extent, validity, priority, enforceability or perfection of JPMC's collateral or JPMC's right to payment or other rights under any loan documents or other agreements; (iii) to foreclose or judicially enforce a lien where JPMC has a senior or junior lien on the property that is the subject of the foreclosure or judicial enforcement; and (iv) any subpoena, deposition, document production request, or other discovery against JPMC personnel or JPMC records. If the matter ever involves Litigation with JPMC, then your firm will withdraw from its representation of the Other Client with respect to such Litigation; your firm will not represent either party to the dispute.

JPMC hereby consents to the representations of the Unrelated Clients in connection with the Unrelated Matters. This consent, however, does not extend to any actual or potential Litigation (as such term is defined above) with JPMC (including its affiliates, agents, directors and employees) in respect of any matter on which your firm has represented or does represent JPMC (including its affiliates, agents, directors and employees) at the time the determination of whether an actual or potential conflict exists is made (a "JPMC Matter"). If the matter ever involves Litigation with JPMC on a JPMC Matter, then your firm will withdraw from its representation of the Unrelated Client with respect to such Litigation; your firm will not represent either party to the dispute.

Very truly yours,


A. D. Furt

¹Members of the Other Client team (including lawyers, legal assistants, clerks, secretaries and other personnel) will not be allowed access to any of the files concerning JPMC matters. Members of the JPMC team will be prohibited from discussing any aspect of any matter involving JPMC with members of the Other Client team or with any other persons who are not under a similar obligation of confidentiality.

April 1, 2008

Margaret M. Ross
Deutsche Bank AG New York
Mailstop: NYC60-3605
60 Wall Street, 36th Floor
New York, New York 10005-2858

Re: ATA Airlines, Inc. Reorganization

Dear Margaret:

As counsel to Deutsche Bank AG New York Branch (together with its other branches and affiliates, "**Deutsche Bank**"), I am writing to address, and request a waiver of, the potential conflict of interest arising from the referenced transaction (the "**Transaction**"), in which Haynes and Boone, LLP (the "**Firm**") seeks to represent ATA Airlines, Inc. (the "**Firm's Other Client**"). The nature of the Transaction, and the respective positions of Deutsche Bank and the Firm's Other Client in the Transaction, are as follows: the Firm's representation of the Firm's Other Client will involve its restructuring. As is shown on Schedule A (attached hereto), Deutsche Bank is the collateral agent or security trustee in respect of certain lease financed aircraft and engines operated by the Firm's Other Client. It is anticipated that the representation of the Firm's Other Client will also include the representation of the Firm's Other Client in its bankruptcy case and in the related bankruptcy cases of any of its subsidiaries. Such later representation will include the traditional duties of counsel for a debtor-in-possession in a large chapter 11 case, including, but not limited to, the negotiation of the use of cash collateral and any debtor-in-possession financing, the negotiation of treatment under a plan of reorganization and the negotiation of the application of sale proceeds to the extent certain assets of the Firm's Other Client are sold during the case but not pursuant to a plan. The process of negotiating such orders, plans and related documents may, at times, be adverse, and the Firm may be required to take positions opposite to those espoused by Deutsche Bank in Court related to such duties and negotiations. The Firm will not, however, represent or otherwise advise the Firm's Other Client with respect to any claim or dispute that may arise between the Firm's Other Client and Deutsche Bank or any such later representation.

The Firm currently represents Deutsche Bank in the matters set forth in Schedule B (attached hereto), and in connection with these matters deals principally with the following Deutsche Bank representatives: John Beacham, Linda Wang and Linda Davis. Because the interests of Deutsche Bank and those of the Firm's Other Client in the Transaction may be or are adverse, the Firm requests Deutsche Bank's consent to the representation of the Firm's Other Client in the Transaction, notwithstanding that the Firm represents Deutsche Bank in the matters set forth in Schedule B.

No matter in which the Firm has represented or represents Deutsche Bank is directly or substantively related to the Transaction, and the Firm has not received any confidential information from Deutsche Bank relating to the Transaction. After review of the circumstances, the Firm does not believe that its representation of Deutsche Bank in the matters set forth in Schedule B and its representation of the Firm's Other Client in the Transaction would adversely affect, or otherwise conflict with the interests of, Deutsche Bank.

Page 2

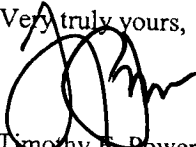
Margaret M. Ross, Esq.

April 1, 2008

The Firm acknowledges and agrees that, in representing the Firm's Other Client, the Firm will not (i) in whole or in part, disclose to the Firm's Other Client any information concerning Deutsche Bank that has been identified to the Firm as confidential or proprietary or that the Firm should reasonably believe to be confidential or proprietary or (ii) otherwise make use of any such information concerning Deutsche Bank, without Deutsche Bank's prior written consent.

The Firm requests that Deutsche Bank consent to the Firm's representation of the Firm's Other Client in the Transaction as described above by countersigning this letter or by confirming its consent by letter in reply.

Very truly yours,



Timothy E. Powers

Direct Phone Number: 214.651.5610

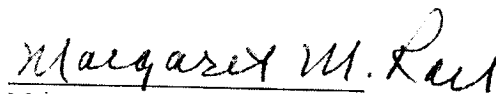
Direct Fax Number: 214.200.0610

timothy.powers@haynesboone.com

Deutsche Bank acknowledges receipt of this letter and agrees, based upon (but strictly limited to) the description and representations set forth herein, to consent to the Firm's representation of the Firm's Other Client in connection with the Transaction, it being understood that such consent does not extend to matters not identified in Schedule A and to subsequent litigation which may arise from or relate to such matters.

DEUTSCHE BANK AG NEW YORK BRANCH

By:



Margaret M. Ross

SCHEDULE A

Deutsche Bank Trust Company Americas is listed as the collateral agent for Castle 2003-2A LLC, as owner/lessor of two Boeing 737-800s--tail nos. N301TZ and N310TZ. These aircraft were originally leased by ATA Airlines, Inc. from International Lease Finance Corporation ("*ILFC*"). ILFC assigned the leases to Castle on or about November 25, 2003.

Deutsche Bank Trust Company is listed as the "security trustee" for a CFM56-7B27 engine (ESN 888492), where Blade Engine Securitization Ltd. ("*Blade*") is the owner participant. This engine was originally leased pursuant to an Engine Lease Agreement 88492 between Silvermine River Finance Two, Inc. as lessor and ATA Airlines, Inc. as lessee, dated as of Feb. 16, 2005. At some point, the lease was assigned to Blade.

Deutsche Bank Trust Company also appears to be the "security trustee" or "collateral trustee" on two other engines:

A second CFM56-7B27 engine (ESN 888764), under an Assignment, Assumption and Amendment Agreement dated as of October 3, 2007 where Silvermine River Finance Two, Inc. is the owner participant and Wells Fargo is the owner trustee.

A RB211-535-E4C engine (ESN 31811), under an Assignment, Assumption and Amendment Agreement dated as of October 3, 2007 where AFS Investments 75, Inc. is the owner participant and Wells Fargo is the owner trustee.

SCHEDULE B

Each of the following is a subscription secured credit facilities in which Deutsche Bank is the lead Agent and Arranger

Aslan Realty Partners IV, L.L.C.
Five Mile Structured Income Fund
GSC Structured Real Estate Partners
IL&FS India Real Estate Funds
India Property Fund Mauritius
Legacy Partners Affordable Housing Fund
Scout Fund I, L.P.

The Firm has also recently been contacted in connection with two cases; though not yet engage in either, to serve as (a) counsel to Deutsche Bank in a case in Houston involving an insurance coverage claim; and (b) local counsel to a group of defendants, including Deutsche Bank, in San Antonio with respect to the Clear Channel Communications litigation.

haynesboone

April 1, 2008

ATA Airlines, Inc.
7337 West Washington Street
Indianapolis, Indiana 46231
Attn: Brian Hunt – Sr. Vice President and General Counsel

David W. Parr, Esq.
Associate General Counsel
Bank of America, N.A.
Mail Stop R11-537-02-01
One Financial Plaza
Providence, RI 02903-2448

Re: ATA Airlines, Inc. and Affiliates

Gentlemen:

As you are aware, Haynes and Boone, LLP has been requested to represent ATA Airlines, Inc. and certain affiliates ("*ATA*") in its financial restructuring, which may include possible Chapter 11 proceedings. Bank of America, N.A. ("*Bank of America*" or the "*Bank*") is a secured creditor of ATA and holds a lien on two L1110 Aircraft (the "*Aircraft*"). As you are also aware, Haynes and Boone also represents Bank of America, N.A. and its related entities in numerous matters unrelated to ATA. Both Bank of America and ATA have consented to Haynes and Boone's representation of ATA in connection with its financial restructuring and potential bankruptcy case.

The purpose of this letter is to effectuate such consents and the parameters for same which are set forth below.

1. Bank of America hereby consents to Haynes and Boone's representation of ATA in connection with ATA's financial restructuring and potential bankruptcy case and with the restructuring and potential bankruptcy case of any ATA affiliates. This representation will include the traditional duties of counsel for a debtor and debtor-in-possession in a large Chapter 11 case, including, but not limited to, the negotiation of the use of cash collateral and any debtor-in-possession financing, the negotiation of treatment under a plan of reorganization and the negotiation of the application of sale proceeds to the extent certain assets of ATA are sold. It is hereby acknowledged that the process of negotiating such transactions and related documents may, at times, be adverse, and that Haynes and Boone may be required to take positions opposite to those espoused by Bank of America in Court and otherwise related to such duties and negotiations.
2. Haynes and Boone is unaware of any alleged causes of action that ATA may have against the Bank. Haynes and Boone will conduct a UCC search, which it conducts in all cases to review the documentation of all secured creditors, and will undertake a review of Bank of America's

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www.haynesboone.com

haynesboone

Messrs. Hunt and Parr
April 1, 2008
Page 2 of 3

loan documentation. In the event of a Chapter 11 filing, a review of Bank of America's loan documentation will also, most likely, be conducted by an unsecured creditors' committee and its professionals when appointed and retained. It is hereby agreed that Haynes and Boone will not initiate any litigation against Bank of America with respect to the validity, enforceability, perfection, priority and extent of its liens and claims or with respect to any actions taken by the Bank in connection with the Aircraft. As stated previously, Haynes and Boone is unaware of any alleged causes of action in this regard. In the event such allegations are made or arise, however, such litigation would either be brought by special counsel to ATA or by counsel for an unsecured creditors' committee. In the event such claims are asserted on ATA's behalf, Haynes and Boone will not be involved directly or indirectly.

3. The Bank will not move to seek to disqualify Haynes and Boone based on Haynes and Boone's concurrent and prior representation of the Bank on unrelated matters. The Bank acknowledges that Haynes and Boone has never represented the Bank in connection with the financing of the Aircraft to ATA. Haynes and Boone acknowledges that it did not serve as counsel to the Bank in connection with the financing of the Aircraft to ATA or any amendments thereto.

If this letter accurately memorializes our discussions, we would appreciate your indicating your consent by signing in the place indicated below.

Very truly yours,



Sue P. Murphy
Direct Phone Number: (214) 651-5602
Direct Fax Number: (214) 200-0565
sue.murphy@haynesboone.com

haynesboone

AGREED:

BANK OF AMERICA, N.A.

By: 

Name: David W. Parr

Title: Associate General Counsel

ATA AIRLINES, INC.

By: 

Name: Brian Hunt

Title: Sr. Vice President and General Counsel