

PABRAI MOHNISH
Form SC 13G/A
February 17, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13G/A
Under the Securities Exchange Act of 1934**

**(Amendment No. 3)*
INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c) and (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13(d)-2(b)
Air Transport Services Group, Inc.**

(Name of Issuer)
Common Stock

(Title of Class of Securities)
00922R105

(CUSIP Number)
December 31, 2008

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

CUSIP No. 00922R105

Page 2 of 13 pages

NAMES OF REPORTING PERSONS

1 The Pabrai Investment Fund II, L.P.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 Illinois

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6 SHARES BENEFICIALLY OWNED BY 536,034

SOLE DISPOSITIVE POWER

7 EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8 WITH 536,034

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

536,034

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.8%

12 TYPE OF REPORTING PERSON

PN

CUSIP No. 00922R105

Page 3 of 13 pages

NAMES OF REPORTING PERSONS

1 Pabrai Investment Fund 3, Ltd.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
British Virgin Islands

5 SOLE VOTING POWER
NUMBER OF 0

6 SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 1,938,827

7 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER
WITH 1,938,827

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,938,827

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.1%

12 TYPE OF REPORTING PERSON

CO

CUSIP No. 00922R105

Page 4 of 13 pages

NAMES OF REPORTING PERSONS

1 The Pabrai Investment Fund IV, L.P.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
Delaware

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,840,000

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8

WITH 2,840,000

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9
2,840,000

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.5%

12 TYPE OF REPORTING PERSON

PN

CUSIP No. 00922R105

Page 5 of 13 pages

NAMES OF REPORTING PERSONS

1 Dalal Street, LLC
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 California

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 75,000

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8

75,000

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9 75,000

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

*

TYPE OF REPORTING PERSON

12

CO

* Less than one-tenth of one percent.

CUSIP No. 00922R105

Page 6 of 13 pages

NAMES OF REPORTING PERSONS

1 Harina Kapoor
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 United States

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 4,101

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8

WITH 4,101

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9 4,101*

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

**

TYPE OF REPORTING PERSON

12

IN

* Includes 1 share held by the IRA FBO Harina Kapoor.

** Less than one-tenth of one percent.

CUSIP No. 00922R105

Page 7 of 13 pages

NAMES OF REPORTING PERSONS

1 Mohnish Pabrai
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 United States

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 5,393,962

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8

WITH: 5,393,962

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9 5,393,962*

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

8.5%

TYPE OF REPORTING PERSON

12

IN

* Includes (a) 4100 shares held by Ms. Harina Kapoor and (b) 1 share held by the IRA FBO Harina Kapoor.

CUSIP No. 00922R105

Page 8 of 13 pages

Item 1. (a) Name of Issuer. Air Transport Services Group, Inc.

Item 1. (b) Address of Issuer's Principal Executive Offices. 145 Hunter Drive
Wilmington, OH 45177

Item 2. (a) Name of Person Filing.

This Schedule 13G/A is filed on behalf of The Pabrai Investment Fund II, L.P., an Illinois limited partnership (PIF2), Pabrai Investment Fund 3, Ltd., a British Virgin Islands corporation (PIF3), The Pabrai Investment Fund IV, L.P., a Delaware limited partnership (PIF4), Dalal Street, LLC, a California limited liability company (Dalal Street), which is general partner of PIF2 and PIF4 and sole investment manager of PIF3, Harina Kapoor, and Mohnish Pabrai, sole shareholder and chief executive officer of Dalal Street and a shareholder and president of PIF3 (collectively, the Reporting Persons), pursuant to a Joint Reporting Agreement dated February 17, 2009, filed by the Reporting Persons as Exhibit A to this Schedule 13G/A.

Item 2. (b) Address of Principal Business Office or, if none, Residence.

114 Pacifica
Suite 240
Irvine, CA 92618-3321

Item 2. (c) Citizenship.

PIF2 is an Illinois limited partnership. PIF4 is a Delaware limited partnership. PIF3 is a British Virgin Islands corporation. Dalal Street is a California limited liability company. Mohnish Pabrai is a United States citizen and his wife, Harina Kapoor, is also a United States citizen.

Item 2. (d) Title of Class of Securities. Common Stock.

Item 2. (e) CUSIP Number. 00922R105

Item 3. If this Statement is filed pursuant to Rule 13d-1(b), 13d-2(b) or (c), check whether the person filing is a:

Not applicable.

Item 4. Ownership.

(a) and (b).

This Schedule 13G/A shall not be construed as an admission that any Reporting Person is, either for purposes of Section 13(d) or 13(g) of the Exchange Act of 1934, as amended (the Act) or for other purposes, is the beneficial owner of any securities covered by this statement. By virtue of the relationships between and among (i) Dalal

CUSIP No. 00922R105

Page 9 of 13 pages

Street in its capacity as the general partner and investment manager of PIF2, PIF4 and PIF3, respectively, (ii) Mohnish Pabrai, in his capacity as sole shareholder and chief executive officer of Dalal Street and as president of PIF3 and (iii) the other Reporting Persons, as further described in Item 2(a), each of the Reporting Persons may be deemed to be the beneficial owner of all or a portion of the Common Stock held by the other Reporting Persons. Because of the relationships described in Item 2(a), the Reporting Persons may be deemed to constitute a group within the meaning of Rule 13d-5 under the Act, and as such, each member of the group would be deemed to beneficially own, in the aggregate, all the Common Stock held by members of the group. The Reporting Persons disclaim membership in a group and disclaim beneficial ownership of any of the Common Stock except as follows.

Reporting Person	Common Stock Beneficially Owned	% of Class ()
The Pabrai Investment Fund II, L.P.	536,034	0.8%
Pabrai Investment Fund 3, Ltd.	1,938,827	3.1%
Pabrai Investment Fund IV, L.P.	2,840,000	4.5%
Dalal Street, LLC	75,000	*
Harina Kapoor	4,101**	*
Mohnish Pabrai	5,393,962****	8.5%

All percentages in this table are based on the 63,325,780 shares of Common Stock issued and outstanding as of November 13, 2008, as reported in the Issuer's Form 10-Q for the quarterly period ended September 30, 2008 filed with the Securities and Exchange Commission on November 14, 2008.

* Less than one-tenth of one percent.

** Includes 1 share held by the IRA FBO Harina Kapoor.

*** Includes (a) 4100 shares held by Ms. Kapoor, (b) 1 share held by the IRA FBO Harina Kapoor, and (c) 2400 shares held by the Dakshana Foundation, a 501(c)(3) organization controlled by Ms. Kapoor and Mr. Pabrai.

(c) Dalal Street and Mohnish Pabrai, in his capacity as chief executive officer of Dalal Street have the shared power to vote or to direct the vote and the shared power to dispose or to direct the disposition of the shares set forth opposite the name of each of PIF2, PIF4 and PIF3 in the table above. Dalal Street and Mohnish Pabrai disclaim beneficial ownership of any such shares except to the extent of their pecuniary interest therein, if

CUSIP No. 00922R105

Page 10 of 13 pages

any. Mohnish Pabrai and Harina Kapoor share the power to vote or to direct the vote and the power to dispose or to direct the disposition of 4,101 shares set forth opposite their names in the table above. Harina Kapoor, in her capacity as account holder, and Mohnish Pabrai, in his capacity as husband and advisor, have the shared power to vote or to direct the vote and the shared power to dispose or to direct the disposition of the share held by the IRA FBO Harina Kapoor. Mohnish Pabrai disclaims beneficial ownership of any such Common Stock held by the IRA FBO Harina Kapoor except to the extent of his pecuniary interest therein, if any.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof, the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: o

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

This Schedule 13G/A is being filed jointly pursuant to Rule 13d-1(k). As a result of the relationships among the Reporting Persons described herein, some or all of the Reporting Persons may be deemed to comprise a group within the meaning of Section 13 of the Act and the Rules promulgated thereunder. However, the Reporting Persons deny such group status.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

CUSIP No. 00922R105

Page 11 of 13 pages

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 17, 2009

THE PABRAI INVESTMENT FUND II, L.P.

By: Dalal Street, LLC, Its General Partner

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer
PABRAI INVESTMENT FUND 3, LTD.

By: /s/ Mohnish Pabrai

Mohnish Pabrai, President
THE PABRAI INVESTMENT FUND IV, L.P.

By: Dalal Street, LLC, Its General Partner

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer
DALAL STREET, LLC

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer

/s/ Harina Kapoor

Harina Kapoor

/s/ Mohnish Pabrai

Mohnish Pabrai

CUSIP No. 00922R105

Page 12 of 13 pages

EXHIBIT INDEX

EXHIBIT DESCRIPTION

EXHIBIT A JOINT REPORTING AGREEMENT

CUSIP No. 00922R105

Page 13 of 13 pages

EXHIBIT A
JOINT REPORTING AGREEMENT

This will confirm the agreement by and among the undersigned that the Schedule 13G/A filed on or about this date with respect to the beneficial ownership of the undersigned of shares of Air Transport Services Group, Inc. is being filed on behalf of each of the parties named below.

Dated: February 17, 2009

THE PABRAI INVESTMENT FUND II, L.P.

By: Dalal Street, LLC, Its General Partner

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer
PABRAI INVESTMENT FUND 3, LTD.

By: /s/ Mohnish Pabrai

Mohnish Pabrai, President
THE PABRAI INVESTMENT FUND IV, L.P.

By: Dalal Street, LLC, Its General Partner

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer
DALAL STREET, LLC

By: /s/ Mohnish Pabrai

Mohnish Pabrai, Chief Executive Officer

/s/ Harina Kapoor

Harina Kapoor

/s/ Mohnish Pabrai

Mohnish Pabrai