

July 15, 1987

Daniel J. Fowler, Esq.  
Daugherty, Bradford, Fowler and Moss  
Attorneys at Law  
204 North Robinson  
Oklahoma City, OK 73102

Dear Mr. Fowler:

Aircraft N66AF

Your letter of July 13, 1987, asks for our review of a situation wherein this aircraft was registered to Ross Aviation, Inc., in 1984. Ross was the lessee under a lease with option to purchase such that under procedures in place at that time, we considered the lease as equivalent to a conditional sales agreement, which requires registration in the name of the lessee. Then in 1985, this office issued an opinion, which in effect stated that the form of the Ross lease should not be considered as equivalent to a conditional sales contract, since it provided for an initial term of 1 year, but with nine renewal terms. We opined that under the only absolute term of the lease, the first year, the lessee would not pay out a sum substantially equivalent to the value of the aircraft, so no sale (or conditional sale) resulted.

You now ask the following questions concerning the state of matters:

- 1. Is the aircraft properly registered in the name of Ross?

Answer. Yes. It was validly registered in 1984 under statutes, regulations and opinions then current and valid. Although our legal opinion has changed, the practice of this office and the Registry has been to "grandfather" earlier cases, such that immediate reregistration is not required, and enforcement action to terminate registration is not taken.

- 2. If we (Aeronautical Center Counsel) determine that the aircraft is not properly registered, but should be registered to the lessor, what was the term of valid registration, and what may be possible civil or criminal penalties?

Answer. We have determined that the aircraft is presently validly registered, and that no useful purpose would be achieved by answering the second questions. While it would have been appropriate for the aircraft to have been reregistered in 1985, neither the Registry nor this office made any demand on the parties to reform the registration. The parties may, at their

CONCURRENCES
RTG. SYMBOL AAC/251
INITIALS/SIG. D.J.F.
DATE 7/15/87
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE
RTG. SYMBOL
INITIALS/SIG.
DATE

option, reregister the aircraft at any time, but the Federal Aviation Administration does not require it. In light of the agency forbearance, we think it unlikely there are any civil or criminal penalties involved.

Sincerely,

Joseph R. Standell  
Aeronautical Center Counsel

Original Signed By  
By: Alonso J. Rodriguez  
R. Bruce Carter  
Aeronautical Center Counsel

cc:  
AGC-7  
AGC-200  
AAC-250

AAC-7:RBCarter:pw:2296:7-15-87