



U.S. Department
of Transportation

**Federal Aviation
Administration**

May 28, 1998

Mike Monroney
Aeronautical Center

P.O. Box 25082
Oklahoma City, Oklahoma 73125

Michael M. Sayers, Esq.
Summers, Compton, Wells & Hamburg
8909 Ladue Road
St. Louis, MO 63124

Dear Mr. Sayers:

CONVERSION OF PARTNERSHIP TO
LIMITED LIABILITY COMPANY
Your File No. 03824

In your letter of May 15, 1998, you refer to a situation in which a Missouri general partnership composed solely of two partners who are both individual U.S. citizens as defined in 49 U.S.C. 40102(a)(15)B) is currently the registered owner of an aircraft. The partnership intends to become a limited liability company (LLC) by filing articles of organization which meet requirements of §347.039 and other requirements of §347.125 of the Missouri Limited Liability Company Act.

One legal effect of the conversion from partnership to LLC as permitted by §347.125.3 is that "personal property or any interest therein . . . shall be deemed transferred to and vested in such limited liability company without further act or deed." [emphasis supplied]

You first ask our opinion as to what, if any, registration requirements are triggered by such a conversion?

Typically, when a merger or consolidation occurs, the surviving entity must submit a new aircraft registration application showing the name of the new entity, together with a \$5 re-registration fee. (AC Forms 8050-1 are enclosed for your convenience.)

Additionally, with respect to LLCs, the Registry requires additional documents so that it can have basic information (such as who is the manager) about the LLC, and be able to make citizenship determinations. Therefore, you should also include copies of the LLC's Articles of Organization and Operating Agreement.

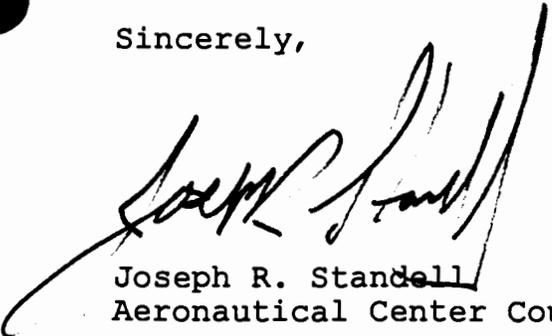
Next, you want our opinion as to whether any filings with FAA will be necessitated by a transfer of the membership interests from the individual members of the LLCs to their respective living trusts.

In answering this question, I assume that the living trusts will totally retain their U.S. character. (If that is not the case, I can't answer the question without more information.) Assuming that there is no citizenship issue, then there should be no problem with respect to the LLC's eligibility to register. That is because the Missouri LLC Act defines a "Person" eligible to be a "Member" as including a trust. Section 347.015(15).

Therefore, if the transfers to the trusts occur before application for re-registration, that would be reflected in the Articles of Organization and/or Operating Agreement when submitted to the Registry.

If the transfers occur after re-registration to the LLC, further filings reflecting the transfers would not be required under 14 C.F.R. Part 47. Of course, you might submit such filings (e.g. amended Articles or amended Operating Agreement) for review or for association with the aircraft file. Your reason for so doing might be your concern that registration has not become ineffective under 14 C.F.R. 47.41(a)(5).

Sincerely,



Joseph R. Standell
Aeronautical Center Counsel

Enclosures

cc:
AFS-751