



U.S. Department
of Transportation

**Federal Aviation
Administration**

December 22, 1999

Mike Monroney
Aeronautical Center

P.O. Box 25082
Oklahoma City, Oklahoma 73125

Jonathan Hornblower, Esq.
Hornblower, Manning & Ward
PO Box 2728
Corpus Christi TX 78403-2728

Dear Mr. Hornblower:

Aircraft Registration Rules
Partnerships & Limited Liability Companies

In your letter of October 28, 1999, you pose three scenarios and request our opinion.

"a. Consider a limited liability company, with a non-managing, non-voting member that is a limited partnership (again, the limited partnership is a 100% owned and controlled by US Citizens) owning 50% and the remaining 50% is owned by either the individual US Citizen or his US Citizen corporation as sole manager, sole voting member. Can the airplane be legally registered with such a limited liability company as the sole owner or co-owner?"

My response: The manager would be a U.S. citizen individual or corporation. The members are a non-voting limited partnership and either a U.S. citizen individual or corporation. All of the above entities you represent as entities meeting the U.S. citizen test.

The LLC is managed (controlled) by an individual or corporate U.S. citizen, the LLC qualifies.

"b. Again consider an LLC, over 75% owned and controlled by US Citizen member-manager (corporations and individuals), and less than 25% owned by a limited partnership (again 100% owned and controlled by US Citizens). Can the airplane be legally registered with such a limited liability company as the sole owner or co-owner?"

My response: The LLC is member-managed by individuals or corporations owning 75% of the voting interest. Less than 25% of the voting interest is owned by a limited partnership which is composed of U.S. citizens. The key here again is management. Your proposal appears to qualify.

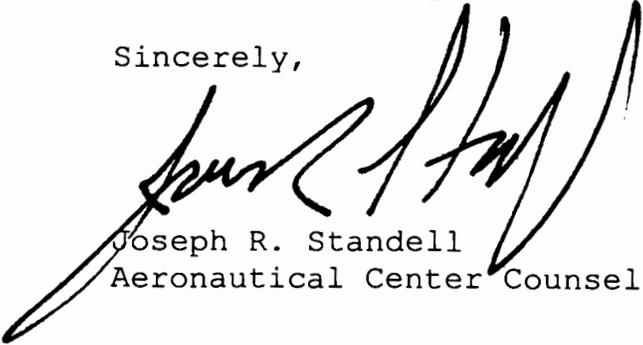
"c. Finally, the airplane is owned or co-owned by a corporation or LLC, 100% owned by a limited partnership. The sole general partner of the limited partnership is a corporation which is a US Citizen. All the limited partners are corporations that are US Citizens or individual US Citizens. Can the airplane be legally registered?"

My response: If a corporation is applicant, I leave to you the determination under 49 U.S.C. 40102(a)(15)(C). Bear in mind that if 75% or more of the voting interest is vested in a limited partnership composed of anything other than individuals, you have a problem.

If an LLC is applicant, the key once again is management. Managers must be U.S. citizens in their own right. A limited partnership composed of one or more general or limited partners which are corporations may not act as manager of the LLC. However, a limited partnership (composed of U.S. citizen corporations) may be the member(s).

This response is meant for general guidance only. I hope you will contact me and provide documents (e.g. LLC Operating Agreement) when you have something more specific in mind.

Sincerely,



Joseph R. Standell
Aeronautical Center Counsel