

30 April 1971

Mr. Sidney W. Steele
P. O. Box 5285
Irving, Texas 75060

Dear Mr. Steele:

We are in receipt of your inquiry of 21 April 1971 concerning the possibility of registering an aircraft in the name of 300 co-owners.

In your letter you indicate that you desire to purchase a Lockheed Lodestar with a group of approximately 300 co-owners, who would then use this aircraft for their personal and private use. You inquire as to whether the Federal Aviation Regulations would permit such a large group to be the registered owners of the aircraft. You also inquire whether there could be a waiver of some of the requirements of Part 121 of the Federal Aviation Regulations.

After reviewing your inquiry, it is our opinion that registration would not be permitted in this instance in the name of the 300 co-owners, since the arrangement you propose would appear to be an attempt to avoid the requirements of Part 123 of the Federal Aviation Regulations. In this respect, we consider that the purpose of Part 123 is to regulate groups such as described in your letter. In addition, we should point out that, even if registration would be permitted, the arrangement would appear to be unworkable from a practical standpoint. Specifically, the aircraft would have to be registered in the name of the 300 co-owners and each addition or subtraction of an individual from the group would legally constitute a change of ownership. Thus, each change in the composition of the co-owners would require re-registration of the aircraft and the submission of a bill of sale from the old co-owners to the new, and the appropriate registration fee. As you can see, this would be administratively impractical both from the standpoint of yourself and the Agency.

As to the question of a waiver from Part 121 of the Federal Aviation Regulations, this is a matter which falls within the jurisdiction of the FAA Southwest Region in Fort Worth, and it is suggested that you contact that office concerning this matter.

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We trust that this will satisfactorily answer the questions posed in your letter. If we can be of any further assistance, please feel free to contact us.

Sincerely,

ORIGINAL SIGNED BY
FREDERICK C. WOODRUFF

FREDERICK C. WOODRUFF
Asst. Aeronautical Center Counsel, AC-7

cc:

SW-7

AC-250 ✓

P.O. Box 5285
Irving, Texas 75060
April 21, 1971

Aeronautical Center Council AC-7
FAA Aeronautical Center
P.O. Box 25082
Oklahoma City, Okla. 73125

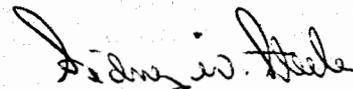
Gentlemen:

Mr. Tyler of the Ft. Worth Legal Office suggested that I write you for your official opinion and/or judgement on the following question.

What I want to do is purchase a Lockheed Lodestar with a large group of people so that we each have only a small amount of money invested in the plane, and use this plane for our personal and private use. Now, the question arises is that exactly how many people can own the plane (each person to be listed as a part owner on the registration certificate, and a power of attorney given to one individual by the others to act as their agent) before the group comes under an air travel club (part 123). Also, since this type of aircraft will not meet the requirements under part 121 (the baggage bins are class A and no fire detection nor extinguishing system are installed) could a waiver be obtained to permit this aircraft to operated under part 123? What brings this to my mind is that there an old river boat on the Mississippi that was constructed out of wood and could not meet the requirements for safety, however, it was granted a waiver last year or so to continue operating. I don't consider the Lodestar a firetrap since it has been flying since 1943.

The number of people we are thinking about is 300. We may never reach this point, but would appreciate your thoughts, and respect your answer.

Sincerely,


SIDNEY W. STEELE

