



U.S. Department
of Transportation

**Federal Aviation
Administration**

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Aeronautical Center

P.O. Box 25082
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Susan H. Utecht-Haught, Esq.
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204 North Robinson
Suite 900
Oklahoma City, OK 73102

Dear Ms. Utecht-Haught:

**Re: Aircraft to be registered in the name of a
limited liability company ("LLC")**

This responds to your letter of January 7, 1999, in which you request our opinion on three separate matters concerning aircraft registration to an LLC.

Background: As you know, in recent years, the Registry has experienced a substantial increase in the number of applications it receives requesting aircraft registration in the name of an LLC.

Incident thereto, we concluded that an LLC might be construed as an "association" created under the laws of the United States, and may be eligible to register aircraft in its name, provided it generally meets the citizenship requirements set out in 49 U.S.C. Section 40102(a)(15)(C), as pertains to corporate citizens of the United States.

Determining the citizenship of an LLC is frequently a complicated task because of the disparate mix of the LLC managers and members (e.g., corporations and limited partnerships comprising one LLC). In this regard, our concern is that the Registry not evolve into a registry of convenience through the vehicle of LLC registrations.

The issues presented in your letter are stated below and are followed by our response.

Issue 1: The eligibility of aircraft for registration under 49 U.S.C. Section 44102 in the name of a limited liability company ("LLC") where (i) at least two-thirds (2/3) of the

managers or managing members are each individuals who are "U.S. citizens" within the meaning of 49 U.S.C. Section 40102(a)(15) and (ii) at least seventy-five percent (75%) of the voting interest or units is owned or controlled by persons who are "U.S. citizens" or citizens of one of its possessions.

Our response: It is our position that, LLCs are eligible to register aircraft in their name, provided (i) at least two-thirds (2/3) of the managers or managing members are each individuals who are "U.S. citizens" within the meaning of 49 U.S.C. Section 40102(a)(15) and (ii) at least seventy-five percent (75%) of the voting interest or units is owned or controlled by persons who are "U.S. citizens" or citizens of one of its possessions.

Issue 2: Any of "Manager", "Member" or any other officer, director or managerial position title acceptable to the FAA Registry constitutes an appropriate title of a signatory on behalf of an LLC for documents filed for recordation with the FAA pursuant to 49 U.S.C. Section 44107.

Our response: Each of the examples of titles you indicate, as well as any other titles acceptable to the Registry, are appropriate titles for signatory on behalf of an LLC for documents filed for recordation with the FAA.

Issue 3: No documentation evidencing either the organization of the LLC or the authority/title of a person to execute documents on behalf of an LLC is required to be submitted to Aeronautical Center Counsel or the FAA Registry in connection with documents filed for recordation with the FAA pursuant to 49 U.S.C. Section 44107.

Our response: As suggested in the Background discussion above, our determination that an LLC may be eligible to register aircraft in its name as an association was, in part, an effort to accommodate the increasing interest in registering aircraft to LLCs.

Initially, we concluded that this office should review LLC applications for aircraft registration to determine whether the LLC qualified as a U.S. citizen. Given the complex manner in which an LLC may be structured, we felt it necessary that this office conduct the citizenship review, rather than advising the Registry to rely on representations of the applicant as to its citizenship status. Therefore, over the past few years, this office has required documentation, such as a Certificate of

Formation, an Operating Agreement, or other documentation which reasonably indicates that the LLC applicant for registration meets the U. S. citizenship requirements of 49 U.S.C. Section 44102.

Based on our experience with LLCs in recent years, and following discussions with Registry personnel, we believe a modification to the existing practice may be appropriate. Accordingly, for the present, in lieu of submission of documents evidencing the organization of an LLC, the FAA will accept information and written representations, in letter form, by either the legal or management representative that the LLC qualifies as a U.S. citizen.

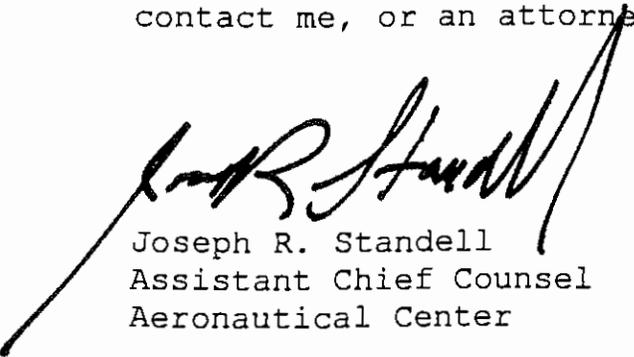
The kinds of information and representations which the FAA will rely on are as follow:

- ◆ The full name of the LLC;
- ◆ The state in which the LLC is lawfully organized;
- ◆ The name of each of the members of the LLC and the type of entity of each member;
- ◆ Whether the LLC is managed by a manager or by its members;
- ◆ The name of the manager and type of entity;
- ◆ The name and title of the individual(s) acting as, or own behalf of the manager; and
- ◆ A description as to how each entity within the LLC structure supports a determination that the LLC is a "U.S. citizen" as required by 49 U.S.C. Section 40102(a)(15)(C).

At page 2 of your letter, you make a final recommendation that the Registry should treat instruments executed on behalf of an LLC in the same manner as those filed on behalf of a corporation where the titles of signatories are taken at face value without providing organizational evidence of such title. We generally agree with your recommendation. However, in those situations in which the title of signatories varies on the documents received by the Registry (e.g., the LLC application for aircraft registration is signed by "manager," and the security agreement pertaining to the LLC is signed by "member"), organizational evidence of the appropriate title will be required.

Please do not confuse the above concurrence with the proposition that citizenship of an LLC applicant requires nothing more than certification on the aircraft registration application.

If you wish to discuss this matter, please do not hesitate to contact me, or an attorney in my office, at 954-3296.



Joseph R. Standell
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Aeronautical Center