

Attachment #3



U.S. Department
of Transportation
**Federal Aviation
Administration**

Western-Pacific Region
Airports Division
Safety and Standards Branch

777 S. Aviation Blvd, Suite 150
El Segundo, CA 90245

June 17, 2020

Henry Thompson
Airport Director
Santa Barbara Municipal Airport
80 Firestone Road
Santa Barbara, CA

Dear Mr. Thompson:

The Federal Aviation Administration (FAA) received the enclosed complaint, via e-mail, from Mr. Joel Sullivan. Mr. Sullivan alleges that the City of Santa Barbara, as airport sponsor of the Santa Barbara Municipal Airport (SBA) is in violation of its airport federal agreement obligations. The purpose of this letter is to notify you of the complaint and to offer the City an opportunity to reply to the allegations. This letter also serves to inform you of the procedure by which the allegations will be reviewed by the Federal Aviation Administration (FAA) Western-Pacific Region.

Complainants who allege violations of an airport sponsors federal agreement obligations have the option to file a "report of violation" or to file a formal complaint. Reports of violations are handled in accordance with the procedures set forth in Title 14, Code of Federal Regulations (CFR) Part 13.1, *Reports of Violation*. Our objective in following up on Reports of Violation is to assist the parties in resolving the issues through information gathering, education, and guidance whenever possible. If the parties are unable to resolve the issues, then the FAA Regional Office will make a preliminary determination on whether a violation of any federal agreements has or has not occurred. That preliminary determination is not a final agency decision. Formal complaints must be filed in accordance with the procedures set forth in Title 14, CFR, Part 16, *Rules of Practice for Federally-Assisted Airport Enforcement Procedures*. Complaints filed under Part 16 must meet specific requirements. Complaints meeting those requirements are formally investigated by the FAA.

The enclosed complaint is being handled as report of violation or "informal" complaint in accordance with Part 13. We have not yet made any finding regarding the validity of the complaint.

Please provide this office with the City's response within 30-days. We ask that your response be as specific and detailed as possible and that you provide documentation to support your response. We also ask that you provide a copy of your response directly to Mr. Sullivan.

If you have any questions, please contact my office at 424-405-7306.

Sincerely,

GEORGE E AIKEN

III

George Aiken
Airports Compliance Program Manager
FAA, Western-Pacific Region

Digitally signed by GEORGE E
AIKEN III
Date: 2020.06.17 18:09:17 -07'00'

Cc: Joel Sullivan, Above All Aviation
Al Richardson, Assistant Manager, Los Angeles Airports District Office

Hi George,

I'm writing to protect my employees and family's investment in Above All Aviation.

The Santa Barbara Airport Administration policies do not reasonably protect flight schools from unreasonable competition (per 5190.6B section 10.2), specifically permitting "Flying Clubs" (who do not comply with the minimum standards) to compete with flight schools. In doing so the airport administration fails to comply with Federal Grant Assurance 22 "Economic Nondiscrimination."

This Santa Barbara Airport Administration's policies are inequitable for the following reasons:

1. Flying Clubs operate as an alternative to a traditional flight school. Members are permitted to earn money by providing flight training services to other members "pro bono" and without limit. My flight school pays more than \$3,000 every month for access to commercial activity. Flying clubs pay nothing.

Advertising continues. The flying club's primary web site has been limited, but the rest of the internet is unmonitored including social media. (Appendix A is an example of how to advertise on the internet...without even revealing your identity. Appendix B is an example of how one local flying club founder / member advertises on his van). Not to mention all the "open to the public events" where you can hold out all you want, (flying club meeting, EAA, 99s etc.)

Thanks to the lack of overhead expense those members providing training clear twice that of my Chief Pilot for any given lesson (Bonus: It's all cash under the table! No one gets a cut of that: not California, not even the IRS). This financial incentive creates a permanent retention problem for local flight schools.

2. Flying Clubs operate as an alternative to traditional aircraft rental facilities. The burden of ownership to a flying club member has been reduced to almost nothing. The club charges only a nominal "deposit" to be returned to the member within 30 days of their resignation. In doing so provide aircraft access without the burden of ownership. It's no different than aircraft rental. Far from "bonified ownership"

The club does so by borrowing from private investors in return for interest, which members pay interest in the form of dues. Flying clubs effectively provide financing to their members, and that needs to end.

The aircraft rental market in Santa Barbara is nonexistent. The day our student earns their certificate is the last we see of them. Instead the flying club's roster is packed with people we trained to fly. The situation makes it impossible to grow our business. Yet the airport administration increases our rent by 3% every year.

As a side effect, no one wants to invest in a traditional flight school in Santa Barbara (way too much risk for zero return). No one has approached our flight school with a lease back request for years.

But if you're interested in investing in a flying club here, you'll likely walk away with a better deal than any bank will offer...because flying clubs are not required to comply with the minimum standards. Here's how to do it in three easy steps:

- a. Purchase an airplane

- b. Sell it to the club for \$1 (to avoid sales tax. Appendix C is an example of state sales tax fraud).
 - c. Put a lien on the aircraft for every cent you paid. Appendix D is an example of an aircraft, purchased by an investor and "sold" to a "not for profit flying club" in short order, and the associated lien.
- 3. The airport administration allows the clubs use of the airport visitors center for every meeting "pro bono." That facility is subsidized by both the federal government and my business. The result legitimizes flying clubs who undercut the businesses that pay for the facility.

Flying clubs in Santa Barbara are designed specifically to circumvent the expense and inconvenience of complying with the federal order while creating an alternative to traditional flight schools.

Flying clubs in Santa Barbara are far more active than the other two flight schools on the field combined. Not a single day passes that we do not notice at least one flight training and aircraft rental event and on any given day there are several.

Thanks for your consideration,

- Joel Sullivan

Appendix A: How to Advertise Your Alternative to Traditional Flight Schools on the Internet, without even being identified!



Shawn Sullivan wanted to share All Aviation

SBFC?

Shawn Sullivan



Ann H
Santa Barbara, CA



8/22/2018

I have have been flying at Santa Barbara airport for over a decade and think Above All Aviation is awful. Shawn, the owner intimidates other pilots (Flight Instructors) by calling fake complaints to the FAA. Shawn and Joel(husband and wife team , and owners) do everything in there power to make sure no other flight school opens up so they will be the only flight school people can use. They accuse other people and companies of doing business not in accordance with FAA Regulation to tarnish their reputation. Santa Barbara needs a real quality flight school and this is not it.

Over all they offer an awful product with overpriced instruction with POORLY maintained aircraft.

Above all is the only game in town right now. The better choice is to use the Santa Barbara flying club or a licensed independent flight instructor.

Best of luck, hope this review opens some eyes and calls out what is going on at above all.

For Joel: 9 new classes now available (Ypsilanti)



Lessons.com support@lessons.com 800-222-7722

Feb 13 2021 1:08 PM

[unsubscribe](#)

 lessons.com

[HOME SERVICES](#) [LESSONS](#) [EVENTS](#) [WELLNESS](#) [TUTORING](#)

9 New Classes are now available in Ypsilanti!

Picked for Joel



Art

[View Classes](#)



Boxing

[View Classes](#)



Baseball

[View Classes](#)

Flying Lessons

Good news, Flying teachers are now available in your area!
Want to see?

[View Teachers](#)

APPENDIX B: Local Permitted Flying Club Founding Member Advertising on his van.



Appendix C: An example of state sales tax fraud...

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF **\$ 18,000** THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT
DESCRIBED AS FOLLOWS

UNITED STATES
REGISTRATION NUMBER **N3299V**
AIRCRAFT MANUFACTURER & MODEL
CESSNA 150M
AIRCRAFT SERIAL No.
15076452

DOES THIS 1st DAY OF MARCH 2018
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO

PURCHASER

NAME AND ADDRESS
IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME AND ADDRESS
CHANNEL CITY FLYERS, INC
SANTA BARBARA, CA 93105-4528

DEALER CERTIFICATE NUMBER

AND TO THEIR EXECUTORS, ADMINISTRATORS, AND HEIRS TO HAVE AND TO HOLD
UNDOUBTINGLY THE SELLER(S) WARRANTS THE TITLE TO BE

IN WITNESS WHEREOF, I HAVE SET MY HAND AND SEAL ON 1st DAY OF MARCH

SELLER	NAME(S) OF SELLER (TYPE OR PRINTED)	SIGNATURE(S) (PRINTED) EXECUTOR OR CO-OWNERS	TITLE (TYPE OR PRINTED)
	JUSTIN ROBERTSON	<i>[Signature]</i>	OWNER

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING, HOWEVER MAY BE REQUIRED BY LOCAL LAW FOR
VALIDITY OF THE INSTRUMENT)

ORIGINAL TO FAA
AC Form 804-2 (01/92) (REV. 08/2000) (2-9-0511)

Appendix D: An example of an aircraft, purchased by an investor and “sold” to a “not for profit flying club” in short order, and the associated lien.

2/13/2020

FAA Registry - Aircraft - Document Inquiry

FAA REGISTRY
Document Index Inquiry Results

Collateral Entered: 345AE

Type Collateral	Collateral	Party	Document Receipt Date
Aircraft	345AE	BANK OF LOCUST GROVE	10/10/2019
Aircraft	345AE	PAGE BRIAN JAMES	10/10/2019
Aircraft	345AE	CHANNEL CITY FLYERS INC	11/12/2019
Aircraft	345AE	PAGE BRIAN JAMES	11/12/2019

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