

USA Aircraft Brokers Inc. is the #1 Largest Network of Aircraft Brokers in the United States

Commonly Asked Questions & Answers About Your USA Aircraft Brokerage

Q- Are those all the aircraft you have for sale as exclusive listings listed on your web page?

A- Yes, those are exclusive listed aircrafts with commission range from \$7,000. to over \$43,000. listed by me and our Area Brokers.

Q- What types of fractional share aircraft do you sell?

A- As a USA Aircraft Area Broker you will be selling shares in six different fractional share jets ranging from the Lear 31A to the Global Express in size.

Q- What are my commission rate on the fractional shares sales?

A- They range from \$5,000 to \$250,000 depending on the size of the share 1/16, 1/8, 1/4 or 1/2 and whether you take an active role or a passive role in the sale of the aircraft.

Q- If someone comes to me to buy an aircraft that we do not have in our inventory can I make a commission selling him an aircraft he looking for?

Yes- As a USA Area Broker you will have access to our Dealer Network, which is similar to the MSL in the Real Estate business. If we do not have that particular aircraft in our inventory then we may be able to locate it though one of our affiliates with a build in commission for us on the sale.

Q- Can I list and sell aircraft outside my exclusive licensed area?

A- Yes. When you list or sell an aircraft from another area broker's area, it's a split commission between you and the other broker, just as in real estate.

Q- If there is another broker in my state is there room for me?

A- Yes. Each area broker's exclusive area covers 500 high performance aircraft owners. Most states have enough business for 3-7 brokers.

Q- How long will it take me, after I receive brokerage training, to start listing and selling aircrafts?

A- *Within two weeks of becoming a USA licensed broker, 500 high performance aircraft owners in your area will be notified by direct mail that you are now in the business of aircraft sales, jet fractional sales, financing and appraisals. The program is designed to put you into the aircraft sales business within a two-week period.*

Q- Do you feel that it would be wise (or unwise) for a new broker to have a part time or full time job while they are building the brokerage?

A- You can continue in whatever type business you presently are in, and at the same time broker aircraft. Similar to with Real Estate, the more time you spend with brokering the more successful you will become.

Q- How would you recommend a new broker spend his time, to maximize the success of his brokerage?

A- Make calls to aircraft owners and FBO's each day. This information is furnished in your USA Aircraft Brokers, Inc. operational manual.

Q- Are USA Aircraft Brokers limited to brokering only those aircraft that are on USA Aircraft Multi Listing System and in their inventory?

A- Not necessarily; but we do attempt to get a listing from any seller whose aircraft we would propose to a potential buyer.

Q- When an aircraft owner comes to a USA Aircraft broker to list his aircraft for sale, is it mandatory that the broker list it on the USA Aircraft MLS system?

A- Yes, it is part of our service. His aircraft is automatically listed with over 1400 aircraft dealers and brokers who may already have a retail buyer for his plane through the MSL dealer network. This may get the aircraft sold more quickly.

Q- With respect to a newly trained broker being ready to sell aircraft, do you feel that the two-day training seminar is adequate?

A- Yes, it is more than adequate for most individuals.

Q- Do you feel the training should last longer, and be more in-depth? If so, how long would you like the training to last?

A- Additional training would be a waste of time. Since there is a continuous support network available, working "on-the-job" is the best way to learn the business.

Q- Regarding applying for a business license, based on your experience and foresight, do you have any recommendations as to whether it would be better for a new broker to set it up as a sole proprietorship, LLC, Corporation, or something else (how would you direct a new broker)?

A- For many individuals the taxes are much lower as a sole proprietorship. Unless you have significant assets to protect, a Sub Chapter S Corporation can be an expensive headache and cost more than the protection it offers. Check with your accountant.

Q- Is it necessary to operate my brokerage from an office that is separate from my home?

A- This is an "at-home" business. A home office serves well since it is seldom necessary for a client to visit your office.

Q- How long after I start my brokerage will I be able to hire the first employee?

A- It is not necessary to have employees. Your operational manual teaches you how to enlist independent contractors, similar to Real Estate agents, under

your brokerage. You can use FBO's and Flight Schools as your independent sales associates. Employees generally cost you money. Broker agents will make you money and work on commissions.

Q- Besides selling aircraft, do you also handle aircraft financing and aircraft management?

A- Aircraft financing is actually a great way to grow one's business. In some cases it may help sell the aircraft more quickly. Furthermore, we earn a commission of .5 to 1 point of the selling price on the sale. Aircraft management is when we help place and aircraft to work on a Part 135. For this we earn 4.5% for each hour flown. Contracts and sales presentations are provided in the operational manual and training seminar.

Q- Where would someone go to learn how to properly do jet fractional sales?

A- As a USA Area Broker you are an authorize broker for Bombardier jet fractional sales company. Bombardier will ship you their packet and USA will provide your training.

Q- Based on what you would consider "normal" sales volume, how is the current market performing? Comment on the 9/11 tragedy effect on sales.

A- Things have never been better. Since the 9/11 tragedy fractional share inquiries have gone out the roof. High performance aircraft owners have found that, if they want to continue doing business, they need their plane. Aircraft are continuing to increase in value.

Q- As our country faces a possible recession, do you believe that now is a good time to get involved in the aircraft brokering business?

A- Any time is a good time to get into a business dealing with something that is as useful and as high a ticket item as aircraft.

Q- How much time in a given week will it be necessary to spend prospecting for customers ("cold-calling") once I am established?

A- At least 20 hours per week will keep the pipeline filled and we do have a telemarketing person to help make those calls.

Q- How much time is it necessary to spend prospecting for customers when just getting started?

A- At first it is all about prospecting. One should figure on spending as much time each week in the beginning as you can. Consistency is most important.

Q- How much time is necessary for "telemarketing?"

A- Virtually all initial time is spent calling aircraft owners and FBO's. You can make many more sales calls in one hour than going to the airport to see one person. Until some leads had been generated, only a few hours are spent doing face-to-face sales.

Q- Is it necessary to use an aircraft in your brokerage business to meet with clients?

A- No. In most cases weather conditions are too unpredictable to count on small aircraft for business meetings on a regular basis. Most business is done through telephone calls, email & fax.

Q- What types (or "makes") of aircraft are the best to sell (reciprocating vs. turboprops vs. jets vs. helicopters)?

A- It makes sense to try to list and sell the most expensive aircraft. The time it takes to get a listing or sale is the same as with less expensive aircraft. However, money can be made selling any type of aircraft so nothing should be left out.

Q- How many aircraft does an established broker usually sell in a 12-month period?

A- This is totally up to the amount of effort and effectiveness of the individual broker. Those who work the hardest get the most listings and make the most sales. You get out of the business what you put into it.

Q- What is the best thing about being an aircraft broker?

A- The independence. You are your own boss, being in the business you love and only limited by your own initiative.

Q- What is the most difficult or frustrating part of the Brokerage?

A- Many brokers do not like the telemarketing aspect of the business. However, those who do it consistently make the most money. Most brokers generally enjoy all the other aspects of the business. We do have a telemarketer you can use to make your calls.

Q- What is the most time-consuming part of the job?

A- Prospecting, but people always remember you and it becomes your most important asset.

Q- Do I get Leads from USA Brokers National Advertising campaign.

A- Yes, all leads that come in from an area brokers area becomes that area brokers client.

Q-What is the most import thing I can do to be successful in starting my aircraft brokerage?

A- Listings, Listings, Listings. Set up FBO's as your agents. Work consistently.

Q- What do I need to do to get started as a USA Aircraft Broker. Inc. Area Broker.

A- Fill out the USA Area Broker application initial each page and FedEx it back to 72 Kent St. Brookline, MA 02445. Within two weeks ever high performance aircraft owner in your area will know you are in the business of aircraft sales, fractional share sales, management, financing and appraisals.

If you have any additional question give me a call at 504-723-5566 Keith Latour

President