

North Carolina Medical Board



Guide for Professional Corporations And Professional Limited Liability Companies

NCMB guidelines for maintenance of registration as a Professional Corporation
or Professional Limited Liability Company

TABLE OF CONTENTS

<u>FEES</u>	1
<u>PROFESSIONAL CORPORATIONS</u>	
REGISTRATION RENEWAL	2
SUSPENSION AND REINSTATEMENT	2
CHANGE OF ADDRESS	2
REGISTERED AGENT	2
CORPORATE NAME	3
CHANGE OF CORPORATE NAME	3
STOCK AND SHAREHOLDER INFORMATION	4
• CHANGE IN SHAREHOLDERS	4
• ISSUANCE OR TRANSFER OF STOCK	4
• WITHDRAWAL OF A SHAREHOLDER	5
• DISQUALIFICATION OF A SHAREHOLDER	5
• DEATH OF A SHAREHOLDER	
MERGERS	5
ACQUISITIONS	5
AMENDMENTS TO ARTICLES OF INCORPORATION	6
DISSOLUTIONS	6
<u>HOW TO CONTACT THE NCMB CORPORATIONS DEPARTMENT</u>	7
<u>PROFESSIONAL LIMITED LIABILITY COMPANIES</u>	8
REGISTRATION RENEWAL	8
SUSPENSION AND REINSTATEMENT	8
CHANGE OF ADDRESS	8
REGISTERED AGENT	8
PLLC NAME	8
CHANGE OF PLLC NAME	9
MEMBERSHIP INFORMATION	10
• CHANGE IN MEMBERSHIP	10
• ISSUANCE OR TRANSFER OF MEMBERSHIP	10
• WITHDRAWAL OF A MEMBER	10
• DISQUALIFICATION OF A MEMBER	11
• DEATH OF A MEMBER	11
MERGERS	11
ACQUISITIONS	11
AMENDMENTS TO ARTICLES OF ORGANIZATION	11
DISSOLUTIONS	12

NCMB Professional Corporation and PLLC Fees

Application

Corporate Certificate of Registration to practice medicine in NC

Non-Refundable Fee: \$50.00

Paid by MasterCard or Visa with through online application

Registration Renewal

Annual renewal of Certificate of Registration

Renewal fee: \$25.00.

Late fee: \$10.00

Paid by MasterCard or Visa with through online renewal

Reinstatement from suspension fee, contact the NCMB Corporations Coordinator.

Email corporations@ncmedboard.org

Phone 919-326-1109 or 800-253-9653 (Ext. 231)

Change of Address

No fee

Change of Registered Agent

No fee

Change of Business Name

Letter of Non-Objection

No fee

Change in Shareholder/Membership Information

Certificate authorizing transfer of stock/membership in a professional business entity organized to practice medicine. Fee for each new shareholder or member

Fee: \$15.00

Amendment to the Articles of Organization or Articles of Incorporation

Letter of Non-Objection, No fee

Dissolutions

Articles of Dissolution, No fee

Professional Corporation

In compliance with North Carolina General Statute § 55B, all corporations intending to practice medicine in NC are required to first register with and obtain certification from the North Carolina Medical Board (NCMB). Creation Filing with the NC Secretary of State (SOS) requires NCMB certification.

A NCMB licensee may apply for a certificate of registration for a professional corporation. The required NCMB forms and instructions are available on the Board's website: www.ncmedboard.org (click on Licensing).

Additional information and state forms for professional corporations are available on the Secretary of State's website: www.secretary.state.nc.us/ProfBus/ or by calling (919) 807-2225 or toll-free (888) 246-7636.

After a professional corporation completes Creation Filing with the Secretary of State, the professional medical corporation is required to maintain its registration with the NCMB and remain in good standing in order to legally continue practicing medicine.

Renewal of Certificate of Registration

Professional corporations registered with the NCMB are required to renew their certificate of registration annually by December 31. The NCMB will send annually, during the fourth quarter, notification for renewal to the current email address on file. Failure to timely renew registration will result in automatic suspension of the corporation's registration. See NC General Statute § 55B-10-11-13.

Suspension

A NCMB suspended professional corporation no longer qualifies to provide professional services, specifically the practice of medicine in North Carolina.

Reinstatement from suspension

If a professional corporation, suspended for failure to renew its *NCMB Registration*, wishes to seek reinstatement, a representative of the PLLC must contact the Corporations Coordinator for guidelines.

Change of address

Change the address of a corporation on NCMB's **Corporation Update** available on the **Professional Resources** page.

Registered agent

Each professional corporation must continuously maintain a registered agent and office in North Carolina. See NC General Statute § 55D-30.

To change the registered agent or registered office, you must file the applicable form with the Secretary of State and update the corporation's record on NCMB's **Corporation Update** available on the **Professional Resources** page.

Forms are available by visiting: www.secretary.state.nc.us/ProfBus/

BE-05 *Designation of Registered Office address and/or Registered Agent*

BE-06 *Statement of Change of Registered Office and/or Registered Agent*

BE-07 *Statement of Resignation of Registered Agent*

Corporation name

The name shall not include any adjectives or other words not in accordance with ethical customs of the medical profession. It may not be identical or so similar in name to an existing registered business entity as to be misleading.

Professional Corporations and Associations are required to use "PC" or "PA" in their corporate designation instead of "Inc." or "Incorporated."

A professional corporation may not use any name other than the corporate name registered with the NCMB and the Secretary of State. NCMB rules prohibit using a "d.b.a." (doing business as) name.

See NC Administrative Code § 21 NCAC 32C .0102 for further guidelines

Name change amendments to the *Articles of Incorporation* require a *Letter of Non-Objection* from the NCMB before the amended articles can be filed with the Secretary of State.

Change of corporate name

The following outlines the appropriate steps necessary in order to change the name of a professional corporation:

1. Submit a cover letter requesting a name change and the original *Articles of Amendment* showing the proposed name change. *Articles of Amendment* forms are available at www.secretary.state.nc.us/ProfBus
2. After review, the NCMB will return to you a *Letter of Non-Objection* authorizing the name change and the original *Articles of Amendment* with the Board's dated seal.
3. File the approved *Articles of Amendment* and *Letter of Non-Objection* with the Secretary of State.

After filing the name change with the Secretary of State, please send NCMB a filed copy to verify the name change was completed.

Stock and Shareholder Information

Except as permitted by Chapter 55B-14 of NC General Statutes and NCMB rules, a professional corporation may issue shares and a shareholder may voluntarily transfer shares of stock only to a licensee of the NCMB. Shares should not be transferred on the books of a professional corporation registered with the NCMB, unless: (1) the corporation has applied for and received certification (P.C.05) that the transferee is qualified to own shares in the corporation, (2) a non-licensee of the Board is permitted to own shares under 55B-14(c) and (3) the corporation has applied for and received a certificate from the applicable licensing board. You must maintain accurate, up-to-date shareholder information with the NCMB. See N.C. General Statute § 55B-6. A share of stock issued or transferred in violation of Chapter 55B shall be void.

Change in shareholder information

Changes (deletions, additions or transfers) to the shareholder list of a professional corporation require notification be sent to the NCMB, as discussed below.

Issuance or transfer of stock

Prior to the issuance or transfer of stock, you must obtain NCMB certification by following the directions below.

Online

- Through the NCMB's **Corporation Update** available on the **Professional Resources** page, you will be able to update shareholder information and obtain certification for new qualified shareholders. You will be able to pay for certification by credit card and receive the certification by email. The certification of licensure fee is \$15.00 per additional shareholder. Online is only available for certification of NCMB Licensees.

By mail send to NCMB

- A letter, signed by an officer or legal representative of the corporation, stating the name of the corporation and the name of the individual licensed to practice medicine in NC who will be issued or transferred stock.
- A check payable to the NC Medical Board. The certification of licensure fee is \$15.00 per additional shareholder.

If the proposed shareholder of a domestic professional corporation is an out-of-state licensed professional they will only be issued authorization to own shares after the NCMB is assured that the proposed shareholder will not, directly or indirectly, render professional services in NC and their ownership of shares in a domestic professional corporation complies with state statute § 55 B.

Upon review and approval by the NCMB a (PC form 5) *Certificate Authorizing Transfer of Stock in a Professional Corporation Organized to Practice Medicine* will be issued for each newly added licensee. The corporation must permanently retain the certificate.

***Please note:** When the proposed shareholder is a licensed professional with another NC Board as allowed by G.S. § 55B-14, certification and approval must be filed with the applicable board of licensure first and copies of approval are to be sent to the NCMB.

Withdrawal of a shareholder

Notify the NCMB Corporations of all withdrawal of shareholders through the NCMB’s **Corporation Update** available on the **Professional Resources** page or by electronic or written notice to the NCMB Corporations Coordinator.

Disqualification of a shareholder

If a shareholder of a professional corporation becomes legally disqualified to practice medicine in North Carolina that shareholder’s employment and financial interest in the professional corporation must be severed immediately. Failure to comply will be grounds for suspension or revocation of the corporation’s certificate of registration, forfeiture of the corporation’s certificate of incorporation and dissolution of the corporation. If a disqualified shareholder’s name appears in the corporate name, the name of the corporation must be changed promptly. See N.C. General Statute § 55B-7, N.C. Administrative Code § 21 NCAC 32C .0102 and § 21 NCAC 32C .0105 for more information.

Please notify the NCMB Corporations Coordinator when severance of employment and financial interest in a professional corporation has been completed and the effective date.

Death of a shareholder

A professional corporation is required to report to the NCMB Corporations Coordinator the death of any of its shareholders. See N.C. General Statute § 55B-7 and N.C. Administrative Code § 21 NCAC 32C .0102 for further guidelines.

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Mergers

Before filing *Articles of Merger* with the Secretary of State a professional corporation is required to obtain a *Letter of Non-Objection* to the merger from the NCMB.

File first with NCMB:

1. The original *Articles of Merger* with a cover letter requesting a *Letter of Non-Objection*.
2. The Board will return the *Articles of Merger* and *Letter of Non-objection* for filing with the Secretary of State.

Request a *Certificate Authorizing Transfer of Stock in a Professional Corporation Organized to Practice Medicine, PC-05*, for each of the shareholders of the merged entity to be added to the authorized shareholder list of the surviving entity.

See instruction for Issuance or transfer of stock.

Acquisitions

Purchase of a professional corporation with the intent to continue its practice of medicine requires Board approval of shareholders prior to the sale. (N.C.G.S. § 55B-6)

Purchase of only the assets of a professional corporation does not require prior NCMB approval. However, filing *Articles of Dissolution* with the Secretary of State and NCMB is required.

Amendments to the Articles of Incorporation

The following changes to the *Articles of Incorporation* require NCMB approval prior before filing with the Secretary of State: *Articles of Amendment*, *Articles of Correction* or *Articles of Conversion*—to a non-profit or business entity.

To file amendments to the *Articles of Incorporation* send a cover letter requesting a *Letter of Non-Objection* with the original appropriate articles to the NCMB Corporations Coordinator. Forms are available at www.secretary.state.nc.us/ProfBus/

The original *Amendment to Articles* and *Non-Objection letter* will be returned for you to file with the Secretary of State.

Dissolutions

To remove your PC from the active roll of professional corporations due to closing, acquisition or etc. you are required to complete and file *Articles of Dissolution* with the Secretary of State. Send a copy to the NCMB Corporations Coordinator.

Articles of Dissolution forms are available at www.secretary.state.nc.us/ProfBus/

Contact the NCMB Corporations Department

Email: Corporations@ncmedboard.org

Phone: 919-326-1109 or 800-253-9653 (Ext. 231)

Mailing Address

North Carolina Medical Board

Attn: Corporations

P.O. Box 20007

Raleigh, NC 27619-0007

Physical/Delivery Address

North Carolina Medical Board

Attn: Corporations

1203 Front Street

Raleigh, NC 27609-7533

Professional Limited Liability Company

In compliance with North Carolina General Statutes § 57C-2-01 and § 55B, all limited liability companies that will practice medicine in NC are required to first register and obtain certification from the North Carolina Medical Board (NCMB). Creation Filing with the NC Secretary of State (SOS) requires NCMB certification.

A NCMB licensee may apply for a certificate of registration for a professional limited liability company (PLLC). The required NCMB forms and instructions are available on the Board's website: www.ncmedboard.org (click on Licensing).

Additional information and state forms for professional limited liability companies are available on the Secretary of State's website: www.secretary.state.nc.us/ProfBus/, or by calling (919) 807-2225 or toll-free at (888) 246-7636.

After a professional limited liability company completes Creation Filing with the Secretary of State, the professional medical limited liability company is required to maintain its registration with the NCMB and remain in good standing in order to legally continue practicing medicine.

Renewal of certificate of registration

PLLCs registered with the NCMB are required to renew their *Certificate of Registration* annually by December 31. The NCMB will send notification to renew, during the fourth quarter, to the current email address on file. Failure to timely renew registration will result in automatic suspension of the PLLC's registration. See N.C. General Statutes § 57C-2-01 and § 55B-10-11-13.

Suspension

A NCMB suspended PLLC no longer qualifies to provide professional services, specifically the practice of medicine in North Carolina.

Reinstatement from suspension

If a suspended PLLC wishes to seek reinstatement, a representative of the PLLC must contact the Corporations Coordinator for guidelines.

Change of address

Change the address of a corporation on NCMB's **Corporation Update** available on the **Professional Resources** page.

Registered agent

Each PLLC must continuously maintain a registered agent and office in NC General Statute § 55D-30.

To change a registered agent or registered office, please file the applicable form with the Secretary of State and update the corporation's record on NCMB's **Corporation Update** available on the **Professional Resources** page.

Forms are available at: www.secretary.state.nc.us/ProfBus/

BE-05 Designation of Registered Office address and/or Registered Agent

BE-06 Statement of Change of Registered Office and/or Registered Agent

BE-07 Statement of Resignation of Registered Agent

PLLC name

The name shall not include any adjectives or other words not in accordance with ethical customs of the medical profession. It may not be identical or so similar in name to an existing registered business entity as to be misleading. Professional Limited Liability Companies are required to use "PLLC" in their corporate designation instead of "LLC".

A PLLC may not use any name other than the name registered with the NCMB and the Secretary of State. Rules prohibit using a "d.b.a." (doing business as) name.

See NC Administrative Code § 21 NCAC 32C .0102 for further guidelines

Name change amendments to the *Articles of Organization* require a *Letter of Non-Objection* from the NCMB before the amended articles can be filed with the Secretary of State.

Change of PLLC name

The following outlines the appropriate steps necessary in order to change the name of a PLLC:

1. Submit a cover letter requesting a name change and the original *Articles of Amendment* showing the proposed name change. *Articles of Amendment* forms are available at www.secretary.state.nc.us/ProfBus
2. After review, the NCMB will return to you a *Letter of Non-Objection* authorizing the name change and the original *Articles of Amendment* with the Board's seal.
3. File the approved *Articles of Amendment* and *Letter of Non-Objection* with the Secretary of State.

After filing the name change with the Secretary of State, please send NCMB a filed copy to verify the name change was completed.

Membership Information

Except as permitted by Chapter 55B-14 of the NC General Statutes and NCMB rules, a PLLC may issue membership and may voluntarily transfer membership only to a licensee of NCMB. Membership should not be transferred on the books of a PLLC registered with NCMB, unless (1) the PLLC has applied for and received certification (P.L.L.C.05) that the transferee is qualified to have membership in the PLLC, (2) a non-licensee is permitted to have membership under 55B-14(c), and (3) the PLLC has applied for and received a certificate from the applicable licensing board. You must maintain accurate, up to date membership information with the NCMB. See N.C. General Statutes § 57C-2-01 and § 55B-6. A membership issued or transferred in violation of Chapter 55B shall be void.

Change in membership information

Changes (deletions, additions or transfers) to the membership list of a PLLC require notification be sent to the NCMB, as discussed below.

Issuance or transfer of membership

Prior to the issuance or transfer of membership, you must obtain NCMB certification by following the directions below.

Online

- Through the NCMB's **Corporation Update** available on the **Professional Resources** page, you will be able to update membership information and obtain certification for new qualified members. You will be able to pay for certification by credit card and receive the certification by email. The certification of licensure fee is \$15.00 per additional member. Online is only available for certification of NCMB Licensees.

By mail send to NCMB

- Send to NCMB a letter, signed by a manager or legal representative of the PLLC, stating the name of the PLLC and the name of the individual licensed to practice medicine in NC who will be issued or transferred stock.
- A check payable to the NC Medical Board. The certification of licensure fee is \$15.00 per additional shareholder.

If the proposed member of a domestic PLLC is an out-of-state licensed professional, they will only be issued authorization for membership after the NCMB is assured that the proposed member will not, directly or indirectly, render professional services in North Carolina and their membership in a domestic PLLC complies with State Statute § 55 B.

Upon review and approval by NCMB a (*PLLC form 5*) *Certificate Authorizing Transfer of Membership in a Professional Limited Liability Company Organized to Practice Medicine* for each newly added licensee will be issued and must be permanently retained by the PLLC.

***Please note:** When the proposed member is a licensed professional with another NC Board as allowed by G.S. § 55B-14, certification and approval must be filed with the applicable board of licensure first and copies of approval should be sent to NCMB.

Withdrawal of a member

Notify the NCMB Corporations Coordinator of all withdrawal of membership through the NCMB’s **Corporation Update** available on the **Professional Resources** page or by electronic or written notice to the NCMB Corporations Coordinator.

Disqualification of a member

If a member of a PLLC becomes legally disqualified to practice medicine in North Carolina that member’s employment and financial interest in the PLLC are to be severed immediately. Failure to comply will be grounds for suspension or revocation of the PLLC’s certificate of registration, forfeiture of the PLLC’s certificate of incorporation and dissolution of the PLLC. If a disqualified member’s name appears in the corporate name the name of the PLLC must be changed promptly. See N.C. General Statute § 55B-7, N.C. Administrative Code § 21 NCAC 32C .0102 and § 21 NCAC 32C .0105 for further information.

Please notify the NCMB Corporations Coordinator when severance of employment and financial interest in a PLLC has been completed and the effective date.

Death of a member

A PLLC is required to report to the NCMB Corporations Coordinator the death of any of its members. See N.C. General Statute § 55B-7 for further guidelines.

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Mergers

Before filing an *Articles of Merger* with the Secretary of State, a PLLC is required to obtain a *Letter of Non-Objection* to the merger from the NCMB.

File first with NCMB:

1. The original *Articles of Merger* with a cover letter requesting a *Letter of Non-Objection*.
2. The Board will return the *Articles of Merger* and *Letter of Non-objection* for filing with the Secretary of State.

Request a *Certificate Authorizing Transfer of Membership in a Professional Limited Liability Company Organized to Practice Medicine* for each of the members of the merged entity to be added to the authorized member list of the surviving entity. See instructions for Issuance or transfer of membership

Acquisitions

Purchase of a PLLC with the intent to continue its practice of medicine requires Board approval of members prior to the sale. (N.C.G.S. § 55B-6)

Purchase of only the assets of a PLLC does not require prior NCMB approval. However, filing an *Articles of Dissolution* with the Secretary of State and NCMB is required.

Amendments to the articles of organization

The following changes to *Articles of Organization* require NCMB approval prior to filing with the Secretary of State: *Articles of Amendment*, *Articles of Correction*, or *Articles of Conversion*— to a non-profit or business entity.

To file amendments to the *Articles of Organization* send a cover letter requesting a *Letter of Non-Objection* with the original appropriate articles to NCMB Corporations Coordinator.

Forms are available at www.secretary.state.nc.us/ProfBus/

The original *Amendment to Articles* and *Non-Objection letter* will be returned for filing with the Secretary of State.

Dissolutions

To remove your PLLC from the active roll of professional limited liability companies due to closing, acquisition or etc. you are required to complete and file *Articles of Dissolution* with the Secretary of State. Send a copy to the NCMB Corporations Coordinator.

Articles of Dissolution forms are available at www.secretary.state.nc.us/ProfBus/