

1 21 NCAC 32C .0102 is proposed to be amended as follows:

2

3 **21 NCAC 32C .0102 NAME OF PROFESSIONAL CORPORATION**

4 The following requirements must be met regarding the name of a professional corporation to practice medicine:

5 (1) The name shall not include any adjectives or other words not in accordance with ethical customs of the  
6 medical profession.

7 ~~(2)~~ The professional corporation may not be identical or substantially similar in name to an existing  
8 professional corporation.

9 ~~(2)(3)~~ The professional corporation may not use any name other than its corporate name.

10 ~~(4)~~ The professional corporation shall specify its corporate structure in the public domain by the use of the  
11 designation "P.C." or "P.A."

12 ~~(3)(5)~~ A shareholder may authorize the retention of his surname in the corporate name after his retirement or  
13 inactivity because of age or disability, even though he may have disposed of his stock. The estate of a  
14 deceased shareholder may authorize the retention of the deceased shareholder's surname in the corporate  
15 name after the shareholder's death.

16 ~~(4)(6)~~ If a living shareholder in a professional corporation whose surname appears in the corporate name becomes  
17 a "disqualified person" as defined in the Professional Corporation Act, the name of the professional  
18 corporation shall be promptly changed to eliminate the name of the shareholder, and the shareholder shall  
19 promptly dispose of his stock in the corporation.

20

21 *History Note: Authority G.S. 55B-5; 55B-7; 55B-12;*

22 *Eff. February 1, 1976;*

23 *Amended Eff. July 1, 1993; May 1, 1989.*

24

25

26

1 21 NCAC 32C .0103 is proposed to be amended as follows:

2  
3 **21 NCAC 32C .0103 PREREQUISITES FOR INCORPORATION**

4 (a) Before filing the articles of incorporation for a professional corporation with the Secretary of State, the incorporators shall  
5 file with the ~~Executive Director of the Board~~:

- 6 (1) the properly executed original articles of incorporation;
- 7 ~~(2) an additional executed copy of the articles of incorporation;~~
- 8 ~~(3) a copy of the articles of incorporation;~~
- 9 ~~(4)(2) a registration fee of fifty dollars (\$50.00) set by Rule .0008 of this Section; in the maximum allowable~~  
10 ~~amount set forth in N.C.G.S. 55B-10;~~
- 11 ~~(5)(3) a signed certificate (P.C. N.C.M.B.-P.C. Form 1) certified by all incorporators, shareholders setting forth~~  
12 ~~the names and addresses of each person who will be employed by the corporation to practice medicine for~~  
13 ~~the corporation, and stating that all such persons are duly licensed to practice medicine in North Carolina,~~  
14 ~~and representing that the business of the corporation will be conducted in compliance with the Professional~~  
15 ~~Corporation Act and the rules in this Subchapter;~~
- 16 ~~(6)(4) a signed certificate (P.C. Form 2) N.C.M.B.-P.C. Form 2 for the Executive Director or the Director of~~  
17 ~~Finance/Operations/Human Resources of the Board to sign certifying that at least one of the incorporators~~  
18 ~~and each of the persons named as original shareholders is licensed to practice medicine in North Carolina.~~  
19 ~~certifying that all shareholders are duly licensed to practice medicine in North Carolina or are otherwise~~  
20 ~~qualified to own shares pursuant to N.C.G.S. 55B-6, 55B-14© or 55B-16.~~

21 (b) The ~~Executive Director or Director of Finance/Operations/Human Resources~~ Board shall review the articles of  
22 incorporation for compliance with the laws relating to professional corporations and with these Rules. If they comply, the  
23 ~~Executive Director or Director of Finance/Operations/Human Resources~~ Board shall ~~sign~~ approve N.C.M.B.-P.C. P.C. Form 2  
24 and return the original articles of incorporation and the copy to the incorporators for filing with the Secretary of State. The  
25 executed copy of the articles of incorporation shall be retained in the office of the Board. If the articles of incorporation are  
26 subsequently changed before they are filed with the Secretary of State, they shall be re-submitted to the Board and shall not be  
27 filed with the Secretary of State until approved by the Board.

28  
29 *History Note: Authority G.S. 55B-4; 55B-10; 55B-12;*  
30 *Eff. February 1, 1976;*  
31 *Amended Eff. September 1, 1995; July 1, 1993; May 1, 1989; November 1, 1985.*  
32  
33  
34

1 21 NCAC 32C .0104 is proposed to be amended as follows:

2

3 **21 NCAC 32C .0104 CERTIFICATE OF REGISTRATION**

4 A Certificate of Registration for a professional corporation shall remain effective until December 31 of each ~~odd-numbered~~  
5 year. A Certificate of Registration may be renewed ~~biennially~~ annually thereafter ~~for years in which licensees are required to~~  
6 ~~register~~ upon written application (~~P.C. N.C.M.B.-P.C.~~ Form 4) to the ~~Executive Director, Board,~~ certifying the names and  
7 addresses of all licensed officers, directors, shareholders and employees of the corporation and representing that the  
8 corporation has complied with the rules in this Subchapter and the Professional Corporation Act. The application shall be  
9 accompanied by a renewal ~~fee. fee of twenty five dollars (\$25.00) set by Rule .0008 of this Section.~~

10

11 *History Note: Authority G.S. 55B-10; 55B-11;*

12 *Eff. February 1, 1976;*

13 *Amended Eff. September 1, 1995; May 1, 1989; November 1, 1985.*

14

15

16

1 21 NCAC 32C .0105 is proposed to be amended as follows:

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

**21 NCAC 32C .0105 STOCK AND FINANCIAL MATTERS**

The regulation and control of stocks in a professional corporation shall be as follows:

- (1) The chief executive officer of the corporation shall be a person duly licensed to practice medicine in North Carolina.
- (2) The corporation may acquire and hold its own stock.
- (3) No person other than a licensee shall exercise any authority whatsoever over professional matters.
- (4) Subject to the provisions of G.S. 55B-7, the corporation may make such agreement with its shareholders or its shareholders may make such agreement between themselves as they deem just for the acquisition of the shares of a deceased or retiring shareholder or of a shareholder who becomes disqualified to own shares under the Professional Corporation Act or under these Rules.
- (5) There shall be prominently displayed on the face of all certificates of stock in the corporation a legend that any transfer of the shares of stock is subject to the provisions of the Professional Corporation Act and the Rules of the Board.
- (6) All shareholders must be licensed to practice medicine in North ~~Carolina~~-Carolina or must otherwise be qualified to own shares pursuant to N.C.G.S. 55B-6, 55B-14© or 55B-16.
- (7) Any interest in the corporation belonging to a deceased shareholder shall be acquired by the corporation, or shall be acquired by one or more persons licensed by the Board. Failure to comply with this requirement within one year after the date of the death of a deceased shareholder shall be grounds for the suspension or revocation of the corporation's certificate of registration. The corporation shall report to the Board within 30 days after its occurrence the death of any shareholder.
- (8) The corporation shall render medical services only by or through individuals licensed by the Board.
- (9) The corporation shall not engage in any business other than rendering professional medical services and related services.

*History Note: Authority G.S. 55B-6 to 55B-8;  
Eff. February 1, 1976;  
Amended Eff. May 1, 1989; November 1, 1985.*

1 21 NCAC 32C .0106 is proposed to be amended as follows:

2

3 **21 NCAC 32C .0106 CHARTER AMENDMENTS AND STOCK TRANSFERS**

4 The following general provisions shall apply to all professional corporations to practice medicine:

5 (1) All changes to the articles of incorporation of the corporation shall be filed with the Board for approval  
6 before being filed with the Secretary of State. A copy of the changes filed with the Secretary of State shall  
7 be sent to the Board within 10 days after filing with the Secretary of State.

8 (2) The ~~Executive Director or Director of Finance/Operations/Human Resources~~ Board shall issue the  
9 certificate ~~(P.C. (N.C.M.B.-P.C. Form 5)~~ required by G.S. 55B-6 when stock is transferred in the  
10 corporation. ~~P.C. N.C.M.B.-P.C. Form 5~~ shall be permanently retained by the corporation. The stock  
11 books of the corporation shall be kept at the principal office of the corporation and shall be subject to  
12 inspection by the Executive Director or his designee during business hours.

13

14 *History Note: Authority G.S. 55B-6; 55B-12;*  
15 *Eff. February 1, 1976;*  
16 *Amended Eff. September 1, 1995; July 1, 1993; May 1, 1989.*

17

18

19

1 21 NCAC 32C .0107 is proposed to be amended as follows:

2

3 **21 NCAC 32C .0107 DOCUMENTS**

4 The following documents regarding professional corporations may be obtained from or are issued by the Board:

- 5 (1) Rules of the Board regarding Professional Corporations;
- 6 (2) ~~P.C.~~ N.C.M.B.-P.C. Form 1 - Application for a Certificate of Registration for a Professional Corporation  
7 for the Practice of Medicine;
- 8 (3) ~~P.C.~~ N.C.M.B.-P.C. Form 2 - Certification of Shareholders;
- 9 (4) ~~P.C.~~ N.C.M.B.-P.C. Form 3 - Certificate of Registration of a Professional Corporation for the Practice of  
10 Medicine;
- 11 (5) ~~P.C.~~ N.C.M.B.-P.C. Form 4 - Application for Biennial Renewal of Certificate of Registration;
- 12 (6) ~~P.C.~~ N.C.M.B.-P.C. Form 5 - Certificate Authorizing Transfer of Stock in Professional Corporation  
13 Organized to Practice Medicine.

14

15 *History Note: Authority G.S. 150B-11;*  
16 *Eff. February 1, 1976;*  
17 *Amended Eff. May 1, 1989.*

18

19

20

1 21 NCAC 32C .0108 is proposed to be amended as follows:

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14

**21 NCAC 32C .0108 FEES**

The initial registration fee for a professional corporation is ~~fifty dollars (\$50.00). The fee for renewal of a Certificate of Registration is twenty five dollars (\$25.00).~~ and the renewal fee for renewal of a Certificate of Registration shall be the maximum allowable amount under N.C.G.S. 55B-10 and 55B-11.

*History Note: Authority G.S. 55B-10; 55B-11;  
Eff. February 1, 1976;  
Amended Eff. May 1, 1989.*

1 21 NCAC 32C .0109 is proposed to be adopted as follows:

2

3 **21 NCAC 32C .0109 REGISTRATION OF FOREIGN PROFESSIONAL CORPORATION**

4 In addition to the foregoing, foreign professional corporations applying for a Certificate of Authority to Transact Business  
5 must meet the following requirements:

6 (1) provide proof that shareholders licensed in other states are currently licensed and in good standing with  
7 their respective licensing boards;

8 (2) at least one shareholder must be currently licensed and in good standing with the Board;

9 (3) no person other than a licensee of the Board shall exercise any authority whatsoever over professional  
10 matters within the State.

11

12 *History Note: Authority G.S. 55B-16*

13 *Eff.*

14

15

16

17