

NORTH CAROLINA MEDICAL BOARD

Handbook for Managing Professional Corporations, Professional Associations and Professional Limited Liability Companies

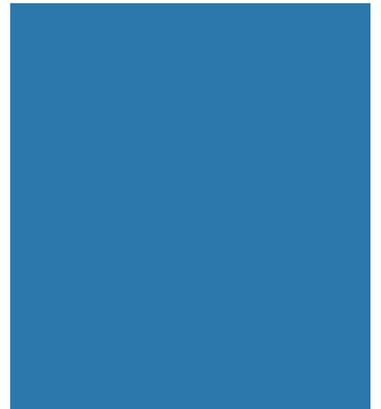


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Managing A Professional Corporation, Professional Association or a Professional Limited Liability Company

After a PC/PA/PLLC is created and the proper forms are filed 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.

Additional information and state forms for professional medical corporations are available on the Secretary of State's website: <https://www.sosnc.gov> or by calling (919) 807-2225 or toll-free (888) 246-7636.

Renewal of certificate of registration

PC/PA/PLLC(s) 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 professional medical corporation suspended by the NCMB no longer qualifies to provide professional services, specifically the practice of medicine in North Carolina.

Reinstatement from suspension

If a suspended for failure to renew PC/PA/PLLC wishes to be reinstated, a representative from the corporation must contact the Board's Corporations Department for information and guidelines.

Change of address

Change the address of a PC/PA/PLLC on NCMB's website, www.ncmedboard.org.

Registered agent

Each PC/PA/PLLC 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 PC/PA/PLLC(s) record on NCMB's website, www.ncmedboard.org.

Forms are available by visiting: <https://www.sosnc.gov/forms>

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

BE-07 *Statement of Resignation of Registered Agent*

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

PC/PA/PLLC Name Change

Professional Medical Corporations are required to use “PC” or “PA” in their corporate designation instead of “Inc.” or “Incorporated.” Professional Limited Liability Companies are required to use “PLLC” in their corporate designation instead of “LLC”.

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 PC/PA/PLLC name

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

1. Email: corp.application@ncmedboard.org, a cover letter requesting a name change and a scanned copy of the original *Articles of Amendment* showing the proposed name change. *Articles of Amendment forms* are available at <https://www.sosnc.gov/forms>
2. After review, the NCMB will email you a *Letter of Non-Objection* authorizing the name change and the scanned original *Articles of Amendment* with the Board’s seal.
3. Complete the electronic filing by sending the approved *Articles of Amendment* and *Letter of Non-Objection* to the Secretary of State and paying any associated fees.

<http://www.secretary.state.nc.us/corporations/pdf/OnlineSubmissionArticleForWebsite.pdf>

After filing the name change documents with the Secretary of State, please send the NCMB a copy to verify the name change is complete.

Stock and Shareholder Information

Except as permitted by Chapter 55B-14 of NC General Statutes and NCMB rules, a PC/PA/PLLC 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 PC/PA/PLLC registered with the NCMB, unless: (1) the PC/PA/PLLC has applied for and received certification (*PC-05*) that the transferee is qualified to own shares in the PC/PA/PLLC, (2) a non-licensee of the Board is permitted to own shares under 55B-14(c) and (3) the PC/PA/PLLC 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 PC/PA/PLLC 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 submit via email, corp.application@ncmedboard.org, the following to the NCMB:

- A scanned letter stating the name of the PC/PA/PLLC and the name of the individual licensed to practice medicine in NC who will be issued or transferred stock. This letter must be signed by an officer or legal representative of the PC/PA/PLLC.

If the proposed shareholder of a domestic PC/PA/PLLC 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 PC/PA/PLLC complies with state statute § 55 B.

Upon review and approval by the NCMB a (*PC-05*) *Certificate Authorizing Transfer of Stock in a PC/PA/PLLC Organized to Practice Medicine* will be issued for each newly added licensee. The certificate must be permanently retained by the PC/PA/PLLC.

***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 should be sent to the NCMB.

Withdrawal of a shareholder

Please notify the NCMB Corporations Department of any withdrawal of shareholder.

Disqualification of a shareholder

If a shareholder of a PC/PA/PLLC becomes legally disqualified to practice medicine in NC that shareholder's employment and financial interest in the PC/PA/PLLC must be severed immediately. Failure to comply will be grounds for suspension or revocation of the PC/PA/PLLC certificate of registration, forfeiture of the PC/PA/PLLC certificate of incorporation/organization and dissolution of the PC/PA/PLLC. If a disqualified shareholder's name appears in the PC/PA/PLLC name, the name of the PC/PA/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 more information.

Please notify the NCMB Corporations Department when severance of employment and financial interest in a PC/PA/PLLC has been completed and the effective date of when the shareholder becomes legally disqualified to practice medicine in NC or is otherwise disqualified to own a financial interest in the PC/PA/PLLC.

Death of a shareholder

A PC/PA/PLLC is required to report to the NCMB Corporations Department 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.

Mergers

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

Email the NCMB, corp.application@ncmedboard.org:

1. A scanned copy of the completed *Articles of Merger* with a cover letter requesting a *Letter of Non-Objection*.
2. The Board will email the approved *Articles of Merger* with the NCMB Board Seal and *Letter of Non-objection* for filing with the Secretary of State.

Request a *Certificate Authorizing Transfer of Stock in a PC/PA/PLLC Organized to Practice Medicine* for each of the shareholders of the merged entity to be added to the authorized shareholder list of the surviving entity. See information: ***Issuance or transfer of stock***

Acquisitions

Purchase of a PC/PA/PLLC 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 PC/PA/PLLC 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/Organization

The following changes to the *Articles of Incorporation/Organization* require NCMB approval prior to filing with the Secretary of State:

- *Articles of Amendment*
- *Articles of Correction*
- *Articles of Conversion—to a non-profit or business entity.*

To file amendments to the *Articles of Incorporation/Organization* email, corp.application@ncmedboard.org, a cover letter requesting a *Letter of Non-Objection* along with scanned copies of the appropriate articles to the NCMB Corporations Department. Forms are available at <https://www.sosnc.gov/forms>

The *Amendment to Articles* with the NCMB Board Seal and *Non-Objection letter* will be emailed for you to file with the Secretary of State.

Dissolutions

To dissolve a PC/PA/PLLC, file the *Articles of Dissolution* form with the Secretary of State. The form is available at: <https://www.sosnc.gov/forms>

Professional Corporation, Professional Association and Professional Limited Liability Company Fees

Fee-Based Filings:

Annual Renewal

Renewal fee: \$25.00, a year

Late fee: \$10.00, a year

Paid by MasterCard, Visa, Discover or American Express through online renewal

For reinstatement from suspension, contact NCMB Corporations Department.

Email corporations@ncmedboard.org

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

There are no fees for:

Change of Corporate Name

NCMB Letter of Non-Objection - required

No fee

Amendments to the Articles of Incorporation

NCMB Letter of Non-Objection - required

No fee

Change of Address

No fee

Change of Registered Agent

No fee

Dissolutions

No fee

Transfer or Issuance of Stock to a New Shareholder

No fee

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
3127 Smoketree Court
Raleigh, NC 27604