

# 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

<b><u>PROFESSIONAL CORPORATIONS</u></b>	<b>1</b>
REGISTRATION RENEWAL	1
REINSTATEMENT FROM SUSPENSION	1
CHANGE OF ADDRESS	1
REGISTERED AGENT	1
CORPORATE NAME	2
CHANGE OF CORPORATE NAME	2
STOCK AND SHAREHOLDER INFORMATION	3
• CHANGE IN SHAREHOLDERS	3
• ISSUANCE OR TRANSFER OF STOCK	3
• WITHDRAWAL OF A SHAREHOLDER	4
• DISQUALIFICATION OF A SHAREHOLDER	4
• DEATH OF A SHAREHOLDER	
MERGERS	4
ACQUISITIONS	4
AMENDMENTS TO ARTICLES OF INCORPORATION	5
DISSOLUTIONS	5
PROFESSIONAL CORPORATION FEES	6
<b><u>PROFESSIONAL LIMITED LIABILITY COMPANIES</u></b>	<b>7</b>
REGISTRATION RENEWAL	7
REINSTATEMENT FROM SUSPENSION	7
CHANGE OF ADDRESS	7
REGISTERED AGENT	7
PLLC NAME	7
CHANGE OF PLLC NAME	8
MEMBERSHIP INFORMATION	9
• CHANGE IN MEMBERSHIP	9
• ISSUANCE OR TRANSFER OF MEMBERSHIP	9
• WITHDRAWAL OF A MEMBER	9
• DISQUALIFICATION OF A MEMBER	10
• DEATH OF A MEMBER	10
MERGERS	10
ACQUISITIONS	10
AMENDMENTS TO ARTICLES OF ORGANIZATION	10
DISSOLUTIONS	11
PLLC FEES	12
<b><u>CONTACT THE NCMB CORPORATIONS DEPARTMENT</u></b>	<b>13</b>

# 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). The *Certification of Registration* and applicable professional corporation forms are then filed with the Secretary of State.

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](http://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/](http://www.secretary.state.nc.us/ProfBus/) or by calling (919) 807-2225 or toll-free (888) 246-7636.

After a professional corporation 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.

## **Renewal of certificate of registration**

Professional corporations registered with the NCMB are required to renew their certificate of registration annually, no later than December 31. The NCMB will send a notification for renewal to all registered corporations annually, during the fourth quarter. The notification will be sent to the current email address on file with the Board. Failure to timely renew registration results in automatic suspension of the corporation's registration. See NC General Statute § 55B-10-11-13.

## **Reinstatement from suspension**

If a professional corporation is suspended for failure to renew its NCMB registration and wishes to be reinstated, a representative from the corporation must contact the Board's Corporations Department for information and guidelines.

## **Change of address**

Complete and submit to the NCMB Corporations Department the *Professional Corp/LLC Address Form*. To access the form, visit [www.ncmedboard.org](http://www.ncmedboard.org) and click on "Change address/name" in the green Quick Links box at the right of the home page.

## **Registered agent**

Each professional corporation must continuously maintain a registered agent and office. 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 send a copy to the NCMB. Forms are available by visiting: [www.secretary.state.nc.us/ProfBus/](http://www.secretary.state.nc.us/ProfBus/)

**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

### **Corporate name**

NCMB encourages professional corporations and associations 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.

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 letter requesting a name change to the NCMB Corporations Department. You may also submit the *Articles of Amendment* showing the proposed name change. *Articles of Amendment* are available at [www.secretary.state.nc.us/ProfBus](http://www.secretary.state.nc.us/ProfBus)
2. After review, the NCMB will send you a *Letter of Non-Objection* authorizing the name change and, if applicable, return to you the original *Articles of Amendment* with the Board’s seal.
3. File the *Articles of Amendment* and *Letter of Non-Objection* with the Secretary of State.

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 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 submit the following to the NCMB:

- A letter 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. This letter must be signed by an officer or legal representative of the corporation.
- 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 certificate must be permanently retained by the corporation.

**\*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 shareholders.

**Disqualification of a shareholder**

If a shareholder of a professional corporation becomes legally disqualified to practice medicine in NC 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 Department when severance of employment and financial interest in a professional corporation 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 corporation.

**Death of a shareholder**

A professional corporation 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 an *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 the NCMB:

1. *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* 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 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 an *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 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 Incorporation* send a cover letter requesting a *Letter of Non-Objection* with the appropriate articles to the NCMB Corporations Department. Forms are available at [www.secretary.state.nc.us/ProfBus/](http://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**

Upon closing and dissolving; a professional medical corporation is required to file an *Articles of Dissolution* with the Secretary of State and send a copy to the NCMB Corporations Department. The form is available at: [www.secretary.state.nc.us/ProfBus/](http://www.secretary.state.nc.us/ProfBus/)

# Professional Corporation Fees

## **Application**

Certificate of Registration for a Professional Corporation to practice medicine in NC

Fee: \$50.00

## **Renewal**

Certificate of registration of Professional Corporation

Renewal fee: \$25.00.

Late fee: \$10.00

Paid by MasterCard or Visa through online renewal

For reinstatement from suspension, contact NCMB Corporations Department.

Email [corporations@ncmedboard.org](mailto:corporations@ncmedboard.org)

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

## **Change of Professional Corporation Address**

No fee

## **Change of Registered Agent**

No fee

## **Change of Corporate Name**

*Letter of Non-Objection*

No fee

## **Transfer or Issuance of Stock to a New Shareholder**

Each certificate authorizing transfer of stock in a professional corporation organized to practice medicine

Fee: \$15.00

Submit check made out to the North Carolina Medical Board.

## **Amendments to the Articles of Incorporation**

*Letter of Non-Objection*

No fee

## **Dissolutions**

No fee

# 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 register and obtain certification from the North Carolina Medical Board (NCMB) before filing with the Secretary of State.

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](http://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/](http://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 is created and the proper PLLC forms are filed 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. The annual renewal is due by December 31. The NCMB will send PLLCs notification for renewal during the fourth quarter to the current email address on file with the NCMB. Failure to timely renew registration results in automatic suspension of the PLLC's registration. See N.C. General Statutes § 57C-2-01 and § 55B-10-11-13.

## **Reinstatement from suspension**

If a PLLC, suspended for failure to renew its NCMB Registration, wishes to be reinstated, a representative of the PLLC must contact the Corporations Department for guidelines.

## **Change of address**

Complete the *Professional Corp/LLC Address Form* and submit it to the NCMB Corporations Department. The form is available on the Board's website, [www.ncmedboard.org](http://www.ncmedboard.org) (see Quick Links "Change Address/Name")

## **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 send a copy to the Medical Board.

Forms are available at: [www.secretary.state.nc.us/ProfBus/](http://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**

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. 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 letter requesting the name change to the NCMB Corporations Department. The letter must state the current business name and the new name requested. This letter must be signed by a manager or legal representative of the PLLC. You may also submit the *Articles of Amendment* showing the proposed name change. *Articles of Amendment* are available at [www.secretary.state.nc.us/ProfBus](http://www.secretary.state.nc.us/ProfBus)
2. After review, the NCMB will send a *Letter of Non-Objection* authorizing the name change and, if applicable, return to you the original *Articles of Amendment* with the Board's seal.
3. File the *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 has been 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 submit the following to the NCMB:

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

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 shareholder will, not directly or indirectly, render professional services in North Carolina and their ownership of shares 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**

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

### **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 Department when severance of employment and financial interest in a PLLC has been completed and the effective date of when a member becomes legally disqualified to practice medicine in NC or is otherwise disqualified to own a financial interest in the PLLC.

**Death of a member**

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

.....

**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. *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 appropriate articles to NCMB Corporations Department. Forms are available at [www.secretary.state.nc.us/ProfBus/](http://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**

Upon closing and dissolving; a PLLC is required to file *Articles of Dissolution* with the Secretary of State and send a copy to the NCMB Corporations Department. The form is available at: <http://www.secretary.state.nc.us/ProfBus/>

# Professional Limited Liability Company Fees

## **Application**

Certificate of registration for a PLLC to practice medicine in NC

Fee: \$50.00

## **Annual renewal**

Certificate of registration of professional limited liability company

Renewal fee: \$25.00.

Late fee: \$10.00

Paid by MasterCard or Visa with through online renewal

For reinstatement from suspension contact the NCMB Corporations Department.

Email [corporations@ncmedboard.org](mailto:corporations@ncmedboard.org)

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

## **Change of PLLC Address**

No fee

## **Change of Registered Agent**

No fee

## **Change of PLLC Name**

*Letter of Non-Objection*

No fee

## **Change in Membership Information**

Certificate authorizing transfer of membership in a professional limited liability company organized to practice medicine for each new member

Fee: \$15.00

Submit check made out to the North Carolina Medical Board

## **Amendments to the Articles of Organization**

*Letter of Non-Objection*

No fee

## **Dissolutions**

*Articles of Dissolution*

No fee

## Contact the NCMB Corporations Department

**Email:** [Corporations@ncmedboard.org](mailto: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