

## **27 NCAC 01E .0104      MANAGEMENT AND FINANCIAL MATTERS**

- (a) "Management" At least one director and one officer of a professional corporation and at least one manager of a professional limited liability company shall be active members in good standing with the North Carolina State Bar.
- (b) "Authority Over Professional Matters:" No person affiliated with a professional corporation or a professional limited liability company, other than a licensee, shall exercise any authority whatsoever over the rendering of professional services in North Carolina or in matters of North Carolina law.
- (c) "No Income to Disqualified Person" The income of a professional corporation or of a professional limited liability company attributable to the practice of law during the time that a shareholder of the professional corporation or a member of a professional limited liability company is legally disqualified to render professional services in North Carolina or, if the shareholder or member is not licensed in North Carolina, in any other jurisdiction in which the shareholder or member is licensed or after a shareholder or a member becomes a judge, other adjudicatory officer, or the holder of any other office, as specified in Rule .0102(a)(4) or .0102(b)(4) of this subchapter, shall not in any manner accrue to the benefit of such shareholder, or his or her shares, or to such member.
- (d) "Stock of a Professional Corporation" A professional corporation may acquire and hold its own stock.
- (e) "Acquisition of Shares of Deceased or Disqualified Shareholder" Subject to the provisions of G.S. 55B-7, a professional corporation may make such agreement with its shareholders or its shareholders may make such agreement between themselves as they may deem just for the acquisition of the shares of a deceased or retiring shareholder or a shareholder who becomes disqualified to own shares under the Professional Corporation Act or under these regulations.
- (f) "Stock Certificate Legend" There shall be prominently displayed on the face of all certificates of stock in a professional corporation a legend that any transfer of the shares represented by such certificate is subject to the provisions of the Professional Corporation Act and these regulations.
- (g) "Transfer of Stock of Professional Corporation" When stock of a professional corporation is transferred to a licensee, the professional corporation shall request that the secretary issue a stock transfer certificate (Form PC-5; see Rule .0106(e) of this subchapter) as required by G.S. 55B-6. The secretary is authorized to issue the certificate which shall be permanently attached to the stub of the transferee's stock certificate in the stock register of the professional corporation. The fee for such certificate shall be in an amount determined by the council and shall be charged for each transferee listed on the stock transfer certificate.
- (h) "Stock Register of Professional Corporation" The stock register of a professional corporation shall be kept at the principal office of the corporation and shall be subject to inspection by the secretary or his or her delegate during business hours at the principal office of the corporation.

*History Note:*      *Authority G.S. 84-23;*  
                          *Readopted Eff. December 8, 1994;*  
                          *Amended Eff. March 6, 1997; September 25, 2020.*