

SUBCHAPTER 1E - REGULATIONS FOR ORGANIZATIONS PRACTICING LAW

SECTION .0100 - REGULATIONS FOR PROFESSIONAL CORPORATIONS AND PROFESSIONAL LIMITED LIABILITY COMPANIES PRACTICING LAW

27 NCAC 01E .0101 AUTHORITY, SCOPE, AND DEFINITIONS

(a) "Authority" Chapter 55B of the General Statutes of North Carolina, being "the Professional Corporation Act," particularly Section 55B-12, and Chapter 57C, being the "North Carolina Limited Liability Company Act," particularly Section 57C-2-01(c), authorizes the Council of the North Carolina State Bar (the council) to adopt regulations for professional corporations and professional limited liability companies practicing law. These regulations are adopted by the council pursuant to that authority.

(b) "Statutory Law" These regulations only supplement the basic statutory law governing professional corporations (Chapter 55B) and professional limited liability companies (Chapter 57C) and shall be interpreted in harmony with those statutes and with other statutes and laws governing corporations and limited liability companies generally.

(c) "Definitions" All terms used in these regulations shall have the meanings set forth below or shall be as defined in the Professional Corporation Act or the North Carolina Limited Liability Company Act as appropriate.

- (1) "Council" shall mean the Council of the North Carolina State Bar.
- (2) "Licensee" shall mean any natural person who is duly licensed to practice law in North Carolina.
- (3) "Professional limited liability company or companies" shall mean any professional limited liability company or companies organized for the purpose of practicing law in North Carolina.
- (4) "Professional corporations" shall mean any professional corporation or corporations organized for the purpose of practicing law in North Carolina.
- (5) "Secretary" shall mean the secretary of the North Carolina State Bar.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0102 NAME OF PROFESSIONAL CORPORATION OR PROFESSIONAL LIMITED LIABILITY COMPANY

(a) "Name of Professional Corporation" The name of every professional corporation shall contain the surname of one or more of its shareholders or of one or more persons who were associated with its immediate corporate, individual, partnership, or professional limited liability company predecessor in the practice of law and shall not contain any other name, word, or character (other than punctuation marks and conjunctions) except as required or permitted by Rules .0102(a)(1), (2) and (5) in this Rule. The following additional requirements shall apply to the name of a professional corporation:

- (1) "Corporate Designation" The name of a professional corporation shall end with the following words:
 - (A) "Professional Association" or the abbreviation "P.A."; or
 - (B) "Professional Corporation" or the abbreviation "P.C."
- (2) "Deceased or Retired Shareholder" The surname of any shareholder of a professional corporation may be retained in the corporate name after such person's death, retirement or inactivity due to age or disability, even though such person may have disposed of his or her shares of stock in the professional corporation;
- (3) "Disqualified Shareholder" If a shareholder in a professional corporation whose surname appears in the corporate name becomes legally disqualified to render professional services in North Carolina or, if the shareholder is not licensed in North Carolina, in any other jurisdiction in which the shareholder is licensed, the name of the professional corporation shall be promptly changed to eliminate the name of such shareholder, and such shareholder shall promptly dispose of his or her shares of stock in the corporation;
- (4) "Shareholder Becomes Judge or Official" If a shareholder in a professional corporation whose surname appears in the corporate name becomes a judge or other adjudicatory officer or holds any other office which disqualifies such shareholder to practice law, the name of the professional corporation shall be promptly changed to eliminate the name of such shareholder and such person shall promptly dispose of his or her shares of stock in the corporation;

- (5) "Trade Name Allowed" A professional corporation shall not use any name other than its corporate name, except to the extent a trade name or other name is required or permitted by statute, rule of court or the Rules of Professional Conduct.
- (b) "Name of Professional Limited Liability Company" The name of every professional limited liability company shall contain the surname of one or more of its members or one or more persons who were associated with its immediate corporate, individual, partnership, or professional limited liability company predecessor in the practice of law and shall not contain any other name, word or character (other than punctuation marks and conjunctions) except as required or permitted by Rules .0102(b)(1), (2) and (5) below. The following requirements shall apply to the name of a professional limited liability company:
- (1) "Professional Limited Liability Company Designation" The name of a professional limited liability company shall end with the words "Professional Limited Liability Company" or the abbreviations "P.L.L.C." or "PLLC";
 - (2) "Deceased or Retired Member" The surname of any member of a professional limited liability company may be retained in the limited liability company name after such person's death, retirement, or inactivity due to age or disability, even though such person may have disposed of his or her interest in the professional limited liability company;
 - (3) "Disqualified Member" If a member of a professional limited liability company whose surname appears in the name of such professional limited liability company becomes legally disqualified to render professional services in North Carolina or, if the member is not licensed in North Carolina, in any other jurisdiction in which the member is licensed, the name of the professional limited liability company shall be promptly changed to eliminate the name of such member, and such member shall promptly dispose of his or her interest in the professional limited liability company;
 - (4) "Member Becomes Judge or Official" If a member of a professional limited liability company whose surname appears in the professional limited liability company name becomes a judge or other adjudicatory official or holds any other office which disqualifies such person to practice law, the name of the professional limited liability company shall be promptly changed to eliminate the name of such member and such person shall promptly dispose of his or her interest in the professional limited liability company;
 - (5) "Trade Name Allowed" A professional limited liability company shall not use any name other than its limited liability company name, except to the extent a trade name or other name is required or permitted by statute, rule of court, or the Rules of Professional Conduct.

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

27 NCAC 01E .0103 REGISTRATION WITH THE NORTH CAROLINA STATE BAR

- (a) Registration of Professional Corporation - At least one of the incorporators of a professional corporation shall be an attorney at law duly licensed to practice in North Carolina. The incorporators shall comply with the following requirements for registration of a professional corporation with the North Carolina State Bar:
- (1) Filing with State Bar - Prior to filing the articles of incorporation with the secretary of state, the incorporators of a professional corporation shall file the following with the secretary of the North Carolina State Bar:
 - (A) the original articles of incorporation;
 - (B) an additional executed copy of the articles of incorporation;
 - (C) a conformed copy of the articles of incorporation;
 - (D) a registration fee of fifty dollars;
 - (E) an application for certificate of registration for a professional corporation (Form PC-1; see Section .0106(a) of this subchapter) verified by all incorporators, setting forth
 - (i) the name and address of each person who will be an original shareholder or an employee who will practice law for the corporation in North Carolina;
 - (ii) the name and address of at least one person who is an incorporator;
 - (iii) the name and address of at least one person who will be an original director; and

- (iv) the name and address of at least one person who will be an original officer, and stating that all such persons are duly licensed to practice law in North Carolina. The application shall also
 - (a) set forth the name, address, and license information of each original shareholder who is not licensed to practice law in North Carolina but who shall perform services on behalf of the corporation in another jurisdiction in which the corporation maintains an office; and
 - (b) certify that all such persons are duly licensed to practice law in the appropriate jurisdiction. The application shall include a representation that the corporation will be conducted in compliance with the Professional Corporation Act and these regulations; and
 - (F) a certification for professional corporation by the Council of the North Carolina State Bar (Form PC-2; see Rule .0106(b) of this subchapter), a copy of which shall be attached to the original, the executed copy, and the conformed copy of the articles of incorporation, to be executed by the secretary in accordance with Rule .0103(a)(2) below.
 - (2) Certificates Issued by Secretary and Council - The secretary shall review the articles of incorporation for compliance with the laws relating to professional corporations and these regulations. If the secretary determines that all persons who will be original shareholders are active members in good standing with the North Carolina State Bar, or duly licensed to practice law in another jurisdiction in which the corporation shall maintain an office, and that the articles of incorporation conform with the laws relating to professional corporations and these regulations, the secretary shall take the following actions:
 - (A) execute the certification for professional corporation by the Council of the North Carolina State Bar (Form PC-2; see Rule .0106(b) of this subchapter) attached to the original, the executed copy, and the conformed copy of the articles of incorporation and return the original and the conformed copies of the articles of incorporation, together with the attached certificates, to the incorporators for filing with the secretary of state;
 - (B) retain the executed copy of the articles of incorporation together with the application (Form PC-1) and the certification of council (Form PC-2) in the office of the North Carolina State Bar as a permanent record;
 - (C) issue a certificate of registration for a professional corporation (Form PC-3; see Rule .0106(c) of this subchapter) to the professional corporation to become effective upon the effective date of the articles of incorporation after said articles are filed with the secretary of state.
- (b) Registration of a Professional Limited Liability Company - At least one of the persons executing the articles of organization of a professional limited liability company shall be an attorney at law duly licensed to practice law in North Carolina. The persons executing the articles of organization shall comply with the following requirements for registration with the North Carolina State Bar:
- (1) Filing with State Bar - Prior to filing the articles of organization with the secretary of state, the persons executing the articles of organization of a professional limited liability company shall file the following with the secretary of the North Carolina State Bar:
 - (A) the original articles of organization;
 - (B) an additional executed copy of the articles of organization;
 - (C) a conformed copy of the articles of organization;
 - (D) a registration fee of \$50;
 - (E) an application for certificate of registration for a professional limited liability company (Form PLLC-1; see Rule .0106(f) of this subchapter) verified by all of the persons executing the articles of organization, setting forth
 - (i) the name and address of each original member or employee who will practice law for the professional limited liability company in North Carolina;
 - (ii) the name and address of at least one person executing the articles of organization; and
 - (iii) the name and address of at least one person who will be an original manager, and stating that all such persons are duly licensed to practice law in North Carolina. The application shall also

- (a) set forth the name, address, and license information of each original member who is not licensed to practice law in North Carolina but who shall perform services on behalf of the professional limited liability company in another jurisdiction in which the professional limited liability company maintains an office; and
 - (b) certify that all such persons are duly licensed to practice law in the appropriate jurisdiction. The application shall include a representation that the professional limited liability company will be conducted in compliance with the North Carolina Limited Liability Company Act and these regulations;
 - (F) a certification for professional limited liability company by the Council of the North Carolina State Bar, (Form PLLC-2; see Rule .0106(g) of this subchapter), a copy of which shall be attached to the original, the executed copy, and the conformed copy of the articles of organization, to be executed by the secretary in accordance with Rule .0103(b)(2) below.
- (2) Certificates Issued by the Secretary - The secretary shall review the articles of organization for compliance with the laws relating to professional limited liability companies and these regulations. If the secretary determines that all of the persons who will be original members are active members in good standing with the North Carolina State Bar, or duly licensed in another jurisdiction in which the professional limited liability company shall maintain an office, and the articles of organization conform with the laws relating to professional limited liability companies and these regulations, the secretary shall take the following actions:
 - (A) execute the certification for professional limited liability company by the Council of the North Carolina State Bar (Form PLLC-2) attached to the original, the executed copy and the conformed copy of the articles of organization and return the original and the conformed copy of the articles of organization, together with the attached certificates, to the persons executing the articles of organization for filing with the secretary of state;
 - (B) retain the executed copy of the articles of organization together with the application (Form PLLC-1) and the certification (Form PLLC-2) in the office of the North Carolina State Bar as a permanent record;
 - (C) issue a certificate of registration for a professional limited liability company (Form PLLC-3; see Rule .0106(h) of this subchapter) to the professional limited liability company to become effective upon the effective date of the articles of organization after said articles are filed with the secretary of state.
- (c) Refund of Registration Fee - If the secretary is unable to make the findings required by Rules .0103(a)(2) or .0103(b)(2) above, the secretary shall refund the \$50 registration fee.
- (d) Expiration of Certificate of Registration - The initial certificate of registration for either a professional corporation or a professional limited liability company shall remain effective through June 30 following the date of registration.
- (e) Renewal of Certificate of Registration - The certificate of registration for either a professional corporation or a professional limited liability company shall be renewed on or before July 1 of each year upon the following conditions:
 - (1) Renewal of Certificate of Registration for Professional Corporation - A professional corporation shall submit an application for renewal of certificate of registration for a professional corporation (Form PC-4; see Rule .0106(d) of this subchapter) to the secretary listing the names and addresses of all of the shareholders and employees of the corporation who practice law for the professional corporation in North Carolina and the name and address of at least one officer and one director of the professional corporation, and certifying that all such persons are duly licensed to practice law in the state of North Carolina and representing that the corporation has complied with these regulations and the provisions of the Professional Corporation Act. Such application shall also
 - (i) set forth the name, address, and license information of each shareholder who is not licensed to practice law in North Carolina but who performs services on behalf of the corporation in another jurisdiction in which the corporation maintains an office; and
 - (ii) certify that all such persons are duly licensed to practice law in the appropriate jurisdiction. Upon a finding by the secretary that all shareholders are active members in good standing with the North Carolina State Bar, or are duly licensed to practice law in another jurisdiction in which the corporation maintains an office, the

secretary shall renew the certificate of registration by making a notation in the records of the North Carolina State Bar;

- (2) **Renewal of Certificate of Registration for a Professional Limited Liability Company** - A professional limited liability company shall submit an application for renewal of certificate of registration for a professional limited liability company (Form PLLC-4; see Rule .0106(i) of this subchapter) to the secretary listing the names and addresses of all of the members and employees of the professional limited liability company who practice law in North Carolina, and the name and address of at least one manager, and certifying that all such persons are duly licensed to practice law in the state of North Carolina, and representing that the professional limited liability company has complied with these regulations and the provisions of the North Carolina Limited Liability Company Act. Such application shall also
 - (i) set forth the name, address, and license information of each member who is not licensed to practice law in North Carolina but who performs services on behalf of the professional limited liability company in another jurisdiction in which the professional limited liability company maintains an office; and
 - (ii) certify that all such persons are duly licensed to practice law in the appropriate jurisdiction. Upon a finding by the secretary that all members are active members in good standing with the North Carolina State Bar, or are duly licensed to practice law in another jurisdiction in which the professional limited liability company maintains an office, the secretary shall renew the certificate of registration by making a notation in the records of the North Carolina State Bar;
- (3) **Renewal Fee** - An application for renewal of a certificate of registration for either a professional corporation or a professional limited liability company shall be accompanied by a renewal fee of \$25;
- (4) **Refund of Renewal Fee** - If the secretary is unable to make the findings required by Rules .0103(e)(1) or .0103(e)(2) above, the secretary shall refund the \$25 registration fee;
- (5) **Failure to Apply for Renewal of Certificate of Registration** - In the event a professional corporation or a professional limited liability company shall fail to submit the appropriate application for renewal of certificate of registration, together with the renewal fee, to the North Carolina State Bar within 30 days following the expiration date of its certificate of registration, the certificate of registration for the delinquent professional corporation or professional limited liability company shall be suspended and the secretary of state will be notified of the suspension of said certificate of registration;
- (6) **Reinstatement of Suspended Certificate of Registration** - Upon (a) the submission to the North Carolina State Bar of the appropriate application for renewal of certificate of registration, together with all past due renewal fees and late fees; and (b) a finding by the secretary that the representations in the application are correct, a suspended certificate of registration of a professional corporation or professional limited liability company shall be reinstated by the secretary by making a notation in the records of the North Carolina State Bar.
- (7) **Inactive Status Pending Dissolution** - If a professional corporation or professional limited liability company notifies the State Bar in writing or, in response to a notice to show cause issued pursuant to Rule .0103(e)(5) of this subchapter, a delinquent professional corporation or professional limited liability company shows that the organization is no longer practicing law and is winding down the operations and financial activities of the organization, no renewal fee or late fee shall be owed and the organization shall be moved to inactive status for a period of not more than one year. If, at the end of that period, a copy of the articles of dissolution has not been filed with the State Bar, the secretary of the State Bar shall send a notice to show cause letter and shall pursue suspension of the certificate of registration as set forth in Rule .0103(e)(5) of this subchapter.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994;
Amended Eff. March 6, 1997;
Amendments Approved by the Supreme Court: March 16, 2017; October 1, 2003.

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.

27 NCAC 01E .0105 GENERAL AND ADMINISTRATIVE PROVISIONS

- (a) "Administration of Regulations" These regulations shall be administered by the secretary, subject to the review and supervision of the council. The council may from time to time appoint such standing or special committees as it may deem proper to deal with any matter affecting the administration of these regulations. It shall be the duty of the secretary to bring to the attention of the council or its appropriate committee any violation of the law or of these regulations.
- (b) "Appeal to Council" If the secretary shall decline to execute any certificate required by Rule .0103(a)(2), Rule .0103(b)(2), or Rule .0104(g) of this subchapter, or to renew the same when properly requested, or shall refuse to take any other action requested in writing by a professional corporation or a professional limited liability company, the aggrieved party may request in writing that the council review such action. Upon receipt of such a request, the council shall provide a formal hearing for the aggrieved party through a committee of its members.
- (c) "Articles of Amendment, Merger, and Dissolution" A copy of the following documents, duly certified by the secretary of state, shall be filed with the secretary within 10 days after filing with the secretary of state:
- (1) all amendments to the articles of incorporation of a professional corporation or to the articles of organization of a professional limited liability company;
 - (2) all articles of merger to which a professional corporation or a professional limited liability company is a party;
 - (3) all articles of dissolution dissolving a professional corporation or a professional limited liability company;
 - (4) any other documents filed with the secretary of state changing the corporate structure of a professional corporation or the organizational structure of a professional limited liability company.
- (d) "Filing Fee" Except as otherwise provided in these regulations, all reports or papers required by law or by these regulations to be filed with the secretary shall be accompanied by a filing fee in an amount determined by the council.

(e) "Accounting for Filing Fees" All fees provided for in these regulations shall be the property of the North Carolina State Bar and shall be deposited by the secretary to its account, and such account shall be separately stated on all financial reports made by the secretary to the council and on all financial reports made by the council.

(f) "Records of State Bar" The secretary shall keep a file for each professional corporation and each professional limited liability company which shall contain the executed articles of incorporation or organization, all amendments thereto, and all other documents relating to the affairs of the corporation or professional limited liability company.

(g) "Additional Information" A professional corporation or a professional limited liability corporation shall furnish to the secretary such information and documents relating to the administration of these regulations as the secretary or the council may reasonably request.

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

27 NCAC 01E .0106 FORMS

(a) "Form PC" 1:

Application for Certificate of Registration for a Professional Corporation

The undersigned, being all of the incorporators of _____, a professional corporation to be incorporated under the laws of the state of North Carolina for the purpose of practicing law, hereby certify to the Council of the North Carolina State Bar:

1. At least one person who is an incorporator, at least one person who will be an original officer, and at least one person who will be an original director, and all persons who, to the best knowledge and belief of the undersigned, will be original shareholders and employees who will practice law for said professional corporation are duly licensed to practice law in the state of North Carolina. The names and addresses of such persons are:

| Name and Position | Address |
|--|---------|
| (incorporator, officer, director, shareholder, employee) | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2. Each original shareholder who is not licensed to practice law in North Carolina but who will perform services on behalf of the corporation in another jurisdiction in which the corporation maintains an office is duly licensed to practice law in that jurisdiction. The name, address, and license information of each such person are:

| Name, Address, Jurisdiction of Licensure, License Number |
|--|
| _____ |
| _____ |
| _____ |

3. The jurisdictions other than North Carolina in which the corporation will maintain an office are:

| Name of Jurisdiction and Address of Office(s) |
|---|
| _____ |
| _____ |
| _____ |

4. The undersigned represent that the professional corporation will be conducted in compliance with the Professional Corporations Act and with the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law.

5. Application is hereby made for a Certificate of Registration to be effective upon the effective date of the professional corporation's articles of incorporation after said articles are filed with the secretary of state.

6. Attached hereto is the registration fee of \$50.

This the _____ day of _____, 19____.

Incorporator

Incorporator

Incorporator

[Signatures of all incorporators.]

NORTH CAROLINA

_____ COUNTY

I hereby certify that _____, _____, _____, _____, and _____, being all of the incorporators of _____, a professional corporation, personally appeared before me this day and stated that they have read the foregoing Application for Certificate of Registration for a Professional Corporation and that the statements contained therein are true.

Witness my hand and notarial seal, this _____ day of _____, 19____.

Notary Public

My commission expires:

(b) Form PC" 2:

Certification for Professional Corporation by Council of the North Carolina State Bar

The incorporators of _____, a professional corporation, have certified to the Council of the North Carolina State Bar the names and addresses of all persons who will be original owners of said professional corporation's shares.

Based upon that certification and my examination of the roll of attorneys licensed to practice law in the state of North Carolina, I hereby certify that the ownership of the shares of stock is in compliance with the requirements of G.S. 55B-4(2) and G.S. 55B-6.

This certificate is executed under the authority of the Council of the North Carolina State Bar, this _____ day of _____, 19____.

Secretary of the North Carolina State Bar

[This certificate is required by G.S. 55B-4(4) and must be attached to the original articles of incorporation when filed with the secretary of state. See Rule .0103(a)(2) of this subchapter.]

(c) Form PC" 3:

Certificate of Registration for a Professional Corporation

It appears that _____, a professional corporation, has met all of the requirements of G.S. 55B-4, G.S. 55B-6 and the Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law of the North Carolina State Bar.

By the authority of the Council of the North Carolina State Bar, I hereby issue this Certificate of Registration for a Professional Corporation pursuant to the provisions of G.S. 55B-10 and the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law.

This registration is effective upon the effective date of the articles of incorporation of said professional corporation, after said articles are filed with the secretary of state, and expires on June 30, 19____.

This the _____ day of _____, 19____.

Secretary of the North Carolina State Bar

(d) Form PC" 4:

Application for Renewal of Certificate of Registration for Professional Corporation

Application is hereby made for renewal of the Certificate of Registration for Professional Corporation of _____, a professional corporation.

In support of this application, the undersigned hereby certify to the Council of the North Carolina State Bar:

1. At least one of the officers and one of the directors, and all of the shareholders and employees of said professional corporation who practice law for said professional corporation in North Carolina are duly licensed to practice law in the state of North Carolina. The names and addresses of such persons are:

| Name and Position | Address |
|--|---------|
| (incorporator, officer, director, shareholder, employee) | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2. Each shareholder who is not licensed to practice law in North Carolina but who performs services on behalf of the corporation in another jurisdiction in which the corporation maintains an office is duly licensed to practice law in that jurisdiction. The name, address, and license information of each such person are:

| Name, Address, Jurisdiction of Licensure, License Number |
|--|
| _____ |
| _____ |
| _____ |

3. The jurisdictions other than North Carolina in which the corporation maintains an office are:

| Name of Jurisdiction and Address of Office(s) |
|---|
| _____ |
| _____ |
| _____ |

4. At all times since the issuance of its Certificate of Registration for Professional Corporation, said professional corporation has complied with the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law and with the Professional Corporations Act.

5. Attached hereto is the renewal fee of \$25.

This the _____ day of _____, 19____.

(Professional Corporation)

By: _____
President (or Chief Executive)

NORTH CAROLINA

_____ COUNTY

I hereby certify that _____, _____, _____, _____, and _____, being all of the incorporators of _____, a professional corporation, personally appeared before me this day and stated that they have read the foregoing Application for Certificate of Registration for a Professional Corporation and that the statements contained therein are true.

Witness my hand and notarial seal, this _____ day of _____, 19____.

Notary Public

My commission expires:

(e) Form PC" 5:

North Carolina State Bar Stock Transfer Certificate

I hereby certify that _____ (transferee) is duly licensed to practice law in the State of North Carolina and as of this date may be a transferee of shares of stock in a professional corporation formed to practice law in the state of North Carolina.

This certificate is executed under the authority of the Council of the North Carolina State Bar, this _____ day of _____, 19_____.

Secretary of the North Carolina State Bar

[This certificate is required by G.S. 55B-6 and must be attached to the transferee's stock certificate. See Rule .0104(g) of this subchapter.]

(f) Form PLLC" 1:

Application for Certificate of Registration for a Professional Limited Liability Company

The undersigned, being all of the persons executing the articles of organization of _____, a professional limited liability company to be organized under the laws of the state of North Carolina for the purpose of practicing law, hereby certify to the Council of the North Carolina State Bar:

1. At least one person executing the articles of organization, at least one person who will be an original manager, and all persons who, to the best knowledge and belief of the undersigned, will be original members and employees who will practice law for said professional limited liability company in North Carolina are duly licensed to practice law in the state of North Carolina. The names and addresses of all such persons are:

| Name and Position | Address |
|---|---------|
| (signer of articles, manager, member, employee) | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2. Each original member who is not licensed to practice law in North Carolina but who will perform services on behalf of the professional limited liability company in another jurisdiction in which the professional limited liability company maintains an office is duly licensed to practice law in that jurisdiction. The names, addresses, and license information of each such person are:

Name, Address, Jurisdiction of Licensure, License Number

3. The jurisdictions other than North Carolina in which the professional limited liability company will maintain an office are:

Name of Jurisdiction and Address of Office(s)

4. The undersigned represent that the professional limited liability company will be conducted in compliance with the North Carolina Limited Liability Company Act and with the North Carolina state Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law.

5. Application is hereby made for a Certificate of Registration to be effective upon the effective date of the professional limited liability company's articles of organization after said articles are filed with the secretary of state.

6. Attached hereto is the registration fee of \$50.

This the _____ day of _____, 19__.

(Signatures of all persons executing articles of organization.)

NORTH CAROLINA

_____ COUNTY

I hereby certify that _____, _____, _____, _____, and _____, being all of the incorporators of _____, a professional corporation, personally appeared before me this day and stated that they have read the foregoing Application for Certificate of Registration for a Professional Corporation and that the statements contained therein are true.

Witness my hand and notarial seal, this _____ day of _____, 19____.

Notary Public

My commission expires:

(g) Form PLLC" 2:

Certification for Professional Limited Liability Company by Council of the North Carolina State Bar

All of the persons executing the articles of organization of _____, a professional limited liability company, have certified to the Council of the North Carolina State Bar the names and addresses of all persons who will be original members of said professional limited liability company.

Based upon that certification and my examination of the roll of attorneys licensed to practice law in the state of North Carolina, I hereby certify that the membership interest is in compliance with the requirements of G.S. 55C-2-01(c), and, by reference, G.S. 55B-4(2) and G.S. 55B-6.

This certificate is executed under the authority of the Council of the North Carolina State Bar, this _____ day of _____, 19____.

Secretary of the North Carolina State Bar

[This certificate is required by G.S. 55B-4(4) and G.S. 57C-2-01 and must be attached to the original articles of organization when filed with the secretary of state. See Rule .0103(b)(2) of this subchapter.]

(h) Form PLLC" 3:

Certificate of Registration for a Professional Limited Liability Company

It appears that _____, a professional limited liability company, has met all of the requirements of G.S. 57C-2-01 and the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law.

By the authority of the Council of the North Carolina State Bar, I hereby issue this Certificate of Registration for a Professional Limited Liability Company pursuant to the provisions of G.S. 55B-10, G.S. 57C-2-01 and the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law.

This registration is effective upon the effective date of the articles of organization of said professional limited liability company, after said articles are filed with the secretary of state, and expires on June 30, 19____.

This the _____ day of _____, 19____.

Secretary of the North Carolina State Bar

(i) Form PLLC" 4:

Application for Renewal of Certificate of Registration for Professional Limited Liability Company

Application is hereby made for renewal of the Certificate of Registration for Professional Limited Liability Company of _____, a professional limited liability company.

In support of this application, the undersigned hereby certify to the Council of the North Carolina State Bar:

1. At least one of the managers, and all of the members and employees of said professional limited liability company who practice law for said professional limited liability company in North Carolina are duly licensed to practice law in the State of North Carolina. The names and addresses of all such persons are:

| Name and Position (manager, member, employee) | Address |
|--|---------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2. Each member who is not licensed to practice law in North Carolina but who performs services on behalf of the professional limited liability company in another jurisdiction in which the professional limited liability company maintains an office is duly licensed to practice law in that jurisdiction. The names, addresses, and license information of each such person are:

Name, Address, Jurisdiction of Licensure, License Number

3. The jurisdictions other than North Carolina in which the professional limited liability company maintains an office are:

Name of Jurisdiction and Address of Office(s)

4. At all times since the issuance of its Certificate of Registration for Professional Limited Liability Company, said professional limited liability company has complied with the North Carolina State Bar's Regulations for Professional Corporations and Professional Limited Liability Companies Practicing Law and with the provisions of the North Carolina Limited Liability Company Act.

5. Attached hereto is the renewal fee of \$25.

This the _____ day of _____, 19____.

(Professional Limited Liability Company)

NORTH CAROLINA

COUNTY

I hereby certify that _____, _____, _____, _____, and _____, being all of the incorporators of _____, a professional corporation, personally appeared before me this day and stated that they have read the foregoing Application for Certificate of Registration for a Professional Corporation and that the statements contained therein are true.

Witness my hand and notarial seal, this _____ day of _____, 19____.

Notary Public

My commission expires:

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

SECTION .0200 – REGISTRATION OF INTERSTATE AND INTERNATIONAL LAW FIRMS

27 NCAC 01E .0201 REGISTRATION REQUIREMENT

No law firm or professional organization that (1) maintains offices in North Carolina and one or more other jurisdictions, or (2) files for a certificate of authority to transact business in North Carolina from the North Carolina Secretary of State, may do business in North Carolina without first obtaining a certificate of registration from the North Carolina State Bar provided, however, that no law firm or professional organization shall be required to obtain a certificate of registration if all attorneys associated with the law firm or professional organization, or any law firm or professional organization that is in partnership with said law firm or professional organization, are licensed to practice law in North Carolina.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994;
Amended Eff. March 6, 2014; March 5, 1998.*

27 NCAC 01E .0202 CONDITIONS OF REGISTRATION

The secretary of the North Carolina State Bar shall issue such a certificate upon satisfaction of the following conditions precedent:

- (1) There shall be filed with the secretary of the North Carolina State Bar a registration statement disclosing:
 - (a) all names used to identify the filing law firm or professional organization;
 - (b) addresses of all offices maintained by the filing law firm or professional organization;
 - (c) the name and address of any law firm or professional organization with which the filing law firm or professional organization is in partnership and the name and address of such partnership;
 - (d) the name and address of each attorney who is a partner, shareholder, member or employee of the filing law firm or professional organization or who is a partner, shareholder, member or employee of a law firm or professional organization with which the filing law firm or professional organization is in partnership;
 - (e) the relationship of each attorney identified in Rule .0202(1)(d) of this Rule to the filing law firm or professional organization;
 - (f) the states to which each attorney identified in Rule .0202(1)(d) of this Rule is admitted to practice law.
- (2) There shall be filed with the registration statement a notarized statement of the filing law firm or professional organization by a member who is licensed in North Carolina certifying that each attorney identified in Rule .0202(1)(d) of this Rule who is not licensed to practice law in North Carolina is a member in good standing of each state bar to which the attorney has been admitted.
- (3) There shall be filed with the registration statement a notarized statement of the filing law firm or professional organization affirming that each attorney identified in Rule .0202(1)(d) above who is not licensed to practice law in North Carolina will govern his or her personal and professional conduct with respect to legal matters arising from North Carolina in accordance with the Rules of Professional Conduct of the North Carolina State Bar.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0203 REGISTRATION FEE

There shall be submitted with each registration statement and supporting documentation a registration fee as an administrative cost which shall be in an amount determined by the council.

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

27 NCAC 01E .0204 CERTIFICATE OF REGISTRATION

A certificate of registration shall remain effective until January 1 following the date of filing and may be renewed annually by the secretary of the North Carolina State Bar upon the filing of an updated registration statement which satisfies the requirements set forth above and the submission of the registration fee.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0205 EFFECT OF REGISTRATION

This Rule shall not be construed to confer the right to practice law in North Carolina upon any lawyer not licensed to practice law in North Carolina.

History Note: Authority G.S. 84-16; 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0206 NON-RENEWAL OF REGISTRATION

If a law firm or professional organization registered under these rules no longer meets the criteria for registration, it shall notify the State Bar in writing. If such written notice is not received by the State Bar on or before December 31 of the year in which registration is no longer required, the registration fee for the next calendar year, as set forth in Rule .0203 of this Subchapter, shall be owed.

History Note: Authority G.S. 84-23;
Eff. October 1, 2003.

SECTION .0300 - RULES CONCERNING PREPAID LEGAL SERVICES PLANS

On 18 October 1991, the North Carolina State Bar Council established nine rules regarding prepaid legal services plans. In 1994, those rules were codified into the North Carolina Administrative Code at 27 N.C.A.C. Ch. 1E, Section .0300. In 2007, and again in 2020, the rules were revised and renumbered, and several new rules were adopted.

27 NCAC 01E .0301 DEFINITIONS

The following words and phrases when used in this subchapter shall have the meanings given to them in this rule:

- (a) Counsel – the counsel of the North Carolina State Bar appointed by the Council of the North Carolina State Bar.
- (b) Plan Owner – the person or entity not authorized to engage in the practice of law that operates or is seeking to operate a plan in accordance with these Rules.
- (c) Prepaid Legal Services Plan or Plan – any arrangement by which a person or entity, not authorized to engage in the practice of law, in exchange for any valuable consideration, offers to arrange the provision of specified legal services that are paid for in advance of any immediate need for the specified legal services ("covered services"). In addition to covered services, a plan may arrange the provision of specified legal services at fees that are less than what a non-member of the plan would normally pay. The North Carolina legal services arranged by a plan must be provided by a North Carolina licensed attorney who is not an employee, director, or owner of the plan. A plan does not include the sale of an identified, limited legal service, such as drafting a will, for a fixed, one-time fee.

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: February 5, 2002;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;

Rule was transferred from 27 NCAC 01E .0303 on September 25, 2020.

27 NCAC 01E .0302 STATE BAR JURISDICTION

The North Carolina State Bar retains jurisdiction over North Carolina licensed attorneys who participate in plans, whose conduct is subject to the rules and regulations of the State Bar.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0311 on September 25, 2020.*

27 NCAC 01E .0303 ROLE OF AUTHORIZED PRACTICE COMMITTEE

The Authorized Practice Committee ("committee"), as a duly authorized standing committee of the North Carolina State Bar Council, shall oversee the registration of plans in accordance with these rules. The committee shall also establish reasonable deadlines, rules and procedures regarding the initial and annual registrations, amendments to registrations, and the revocation of registrations of plans.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; October 7, 2010; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0304(c) on September 25, 2020.*

27 NCAC 01E .0304 INDEX OF REGISTERED PLANS

The North Carolina State Bar shall maintain an index of the plans registered pursuant to these rules. All documents filed pursuant to these rules shall be available for public inspection during regular business hours.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0309 on September 25, 2020.*

27 NCAC 01E .0305 REGISTRATION REQUIREMENT

A plan shall be registered with the North Carolina State Bar before operating in North Carolina. Registration shall be evidenced by a certificate of registration issued by the State Bar. No plan may operate in any manner that violates the North Carolina statutes regarding the unauthorized practice of law. No plan may operate in North Carolina unless at least one licensed North Carolina attorney has agreed to provide the legal services arranged by the plan at all times during the operation of the plan. No licensed North Carolina attorney shall participate in a plan in this state unless the plan has registered with the State Bar and has complied with the rules set forth below.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. December 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0302 on September 25, 2020.*

27 NCAC 01E .0306 REGISTRATION FEES

The initial and annual registration fees for each plan shall be determined by the council and shall be non-refundable.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; March 8, 2012; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0308 on September 25, 2020.*

27 NCAC 01E .0307 REGISTRATION PROCEDURES

To register a plan, the plan owner shall complete the initial registration statement form contained in Rule .0310 and file it with the secretary of the North Carolina State Bar.

History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; October 7, 2010; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0304(a) on September 25, 2020.

27 NCAC 01E .0308 INITIAL REGISTRATION DETERMINATION

Counsel shall review the plan's initial registration statement. If the plan satisfies the requirements for registration, the secretary shall issue a certificate of registration to the plan owner. If the plan does not satisfy the requirements for registration, counsel shall inform the plan owner that the plan will not be registered and shall explain the deficiencies. Upon notice that the plan will not be registered, the plan owner may resubmit one amended initial registration statement or request a hearing before the committee pursuant to Rule .0317 below. Counsel shall provide a report to the committee each quarter identifying the plans that submitted initial registration statements and whether each plan was registered.

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: August 23, 2007;
Amendments Approved by the Supreme Court: October 7, 2010; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0305 on September 25, 2020.

27 NCAC 01E .0309 REGISTRATION DOES NOT CONSTITUTE APPROVAL

The registration of any plan under these rules shall not be construed to indicate approval, disapproval, or an endorsement of the plan by the North Carolina State Bar. Any plan that advertises or otherwise represents that it is registered with the State Bar shall include a clear and conspicuous statement within the advertisement or communication that registration with the State Bar does not constitute approval or an endorsement of the plan by the State Bar.

History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: February 5, 2002; August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0301 and .0310 on September 25, 2020.

27 NCAC 01E .0310 INITIAL REGISTRATION STATEMENT FORM

Initial Registration Statement Form for Prepaid Legal Services Plan

Any person or entity seeking to operate a prepaid legal services plan shall register the plan with the North Carolina State Bar on the initial registration statement form provided by the State Bar. Each plan must be registered prior to its operation in North Carolina.

The plan owner shall complete this form and file it with the secretary of the State Bar. The plan owner must provide complete responses to each of the following items. The plan will not be registered if any item is left incomplete.

1. Name of Plan:
 - a. Owner of Plan
 - i. Name:
 - ii. Title:
2. Principal North Carolina Address for Plan:
 - a. Address:
 - b. City:
 - c. State:
 - d. Zip Code:

3. Contact Information for Plan Representative

- a. Name:
- b. Address:
- c. City:
- d. State:
- e. Zip Code:
- f. Telephone Number:
- g. Email Address:

4. Is the plan offered by a person or entity not authorized to engage in the practice of law? [Yes] [No]

5. Does the plan, in exchange for any valuable consideration, offer to arrange the provision of specified legal services that are paid for in advance of any immediate need for the specified legal service ("covered services")? [Yes] [No]

6. Are the legal services the plan offers to arrange provided by North Carolina licensed attorneys who are not employees, directors, or owners of the plan? [Yes] [No]

a. Attach a list of the names, addresses, bar numbers, and telephone numbers of all North Carolina licensed attorneys who have agreed to participate in the plan. This list should be alphabetized by attorney last name.

7. Do the covered services the plan offers to arrange extend beyond the sale of an identified, limited legal service, such as drafting a will, for a fixed, one-time fee? [Yes] [No]

8. Has the plan owner signing below read and gained an understanding of the administrative rules applicable to prepaid legal services plans as adopted by the State Bar Council? [Yes] [No]

9. Does the plan owner signing below agree to comply with the administrative rules applicable to prepaid legal services plans as adopted by the State Bar Council and accept responsibility for the plan's compliance with those administrative rules? [Yes] [No]

10. Has the plan owner signing below read and gained an understanding of the law governing the unauthorized practice of law as set out in N.C. Gen. Stat. § 84-2.1, 4, and 5? [Yes] [No]

11. Is a check for the initial registration fee made payable to the State Bar enclosed with this statement? [Yes] [No]

12. After reading the foregoing form and the list of all North Carolina licensed attorneys who have agreed to participate in the plan in its entirety, does the plan owner signing below certify that all statements made in this form and the list of all North Carolina licensed attorneys who have agreed to participate in the plan are true and correct to the best of his or her knowledge? [Yes] [No]

Date

Signature of Plan Owner

Typed Name of Plan Owner

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; October 7, 2010; September 25,
2020;
Rule was transferred from 27 NCAC 01E .0304(b) on September 25, 2020.*

27 NCAC 01E .0311 ANNUAL REGISTRATION RENEWAL

After its initial registration, a plan may continue to operate so long as it timely files the proscribed registration renewal form and its operation is consistent with its registration statement. The plan owner shall file the registration renewal form

contained in Rule .0312 with the secretary of the North Carolina State Bar and pay the annual registration fee on or before December 1 of each year. If a plan fails to file the registration renewal form and pay the annual registration fee by December 1, counsel may request the committee at its next quarterly meeting to instruct the secretary of the State Bar to serve upon the plan owner a notice to show cause why the plan's registration should not be revoked as provided in Rule .0316.

*History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0307 on September 25, 2020.*

27 NCAC 01E .0312 REGISTRATION RENEWAL FORM

Registration Renewal Form for Prepaid Legal Services Plan

Each prepaid legal services plan registered to operate in North Carolina shall renew its registration each year. If a plan fails to file the registration renewal form and pay the annual registration fee by December 1, counsel may request the Authorized Practice Committee at its next quarterly meeting to instruct the secretary of the State Bar to serve upon the plan's owner a notice to show cause why the plan's registration should not be revoked.

1. Current Registration Information

- a. Plan Name:
- b. Plan Number:

2. Is the plan still offered by a person or entity not authorized to engage in the practice of law? [Yes] [No]

3. Does the plan, in exchange for any valuable consideration, still offer to arrange the provision of specified legal services that are paid for in advance of any immediate need for the specified legal service ("covered services")? [Yes] [No]

4. Are the legal services the plan offers to arrange still provided by North Carolina licensed attorneys who are not employees, directors, or owners of the plan? [Yes] [No]

5. Do the covered services the plan offers to arrange still extend beyond the sale of an identified, limited legal service, such as drafting a will, for a fixed, one-time fee? [Yes] [No]

6. Attach a list of the names, addresses, bar numbers, and telephone numbers of all North Carolina licensed attorneys who provide or offer to provide the legal services arranged by the plan. This list should be alphabetized by attorney last name.

7. If there have been any amendments to the plan since its initial registration statement or since it renewed its registration last year that are not indicated herein, please attach copies of the registration amendment forms filed with the State Bar and the letter from the State Bar reporting that such forms were registered to this report and indicate in the box provided whether any amendments are attached.

8. Is a check for the non-refundable annual registration fee payable to the State Bar enclosed with this report? [Yes] [No]

9. Are there any changes the owner signing below wishes to make to the plan? [Yes] [No]

- a. If "No," please skip to item 15. If "Yes," only complete the items below that the plan owner wishes to change. Please note that any desired changes must be indicated here and that the plan owner must complete and file a separate registration amendment form.

10. New Name of Plan:

11. New Owner of Plan

- a. Name:
- b. Title:

12. New Principal North Carolina Address for Plan

- a. Address:
- b. City:
- c. State:
- d. Zip Code:

13. New Contact Information for Plan Representative

- a. Name:
- b. Address:
- c. City:
- d. State:
- e. Zip Code:
- f. Telephone Number:
- g. Email Address:

14. Does the plan owner signing below understand that the amendments to this plan may not be implemented until the registration amendment form is registered with the State Bar in accordance with 27 N.C.A.C. 1E, §§ .0313 through .0315 of the North Carolina State Bar Regulations for Organizations Practicing Law? [Yes] [No]

15. Does the plan owner signing below certify that the information contained herein is true and correct to the best of his or her knowledge? [Yes] [No]

Date

Signature of Plan Owner

Typed Name of Plan Owner

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: September 25, 2020.

27 NCAC 01E .0313 REGISTRATION AMENDMENTS

(a) A plan owner shall file an amendment to its registration statement ("registration amendment") to document any change in the information provided in its initial registration statement or in its last registration renewal form. A plan owner shall file the registration amendment form contained in Rule .0315 with the secretary of the North Carolina State Bar prior to any change that requires the plan owner to file an amendment. An amendment to a plan shall not be implemented until the registration amendment is registered in accordance with Rule .0314.

(b) A plan owner shall not be required to file a registration amendment form each time there is a change in licensed North Carolina attorneys who have agreed to provide the legal services arranged by the plan. A plan owner shall provide a current list of licensed North Carolina attorneys who agree to provide the legal services arranged by the plan with each registration renewal form as set forth in Rule .0312.

History Note: Authority G.S. 84-23; 84-23.1;
Readopted Eff. Dec 8, 1994;
Amendments Approved by the Supreme Court: August 23, 2007; September 25, 2020;
Rule was transferred from 27 NCAC 01E .0306 on September 25, 2020.

27 NCAC 01E .0314 DETERMINATION OF REGISTRATION AMENDMENTS

Counsel shall review a plan's registration amendment. If counsel determines that the plan will continue to satisfy the requirements for registration, counsel shall inform the plan owner that the plan's registration amendment will be registered. If counsel determines that the plan will not continue to satisfy the requirements for registration, counsel shall inform the plan owner that the registration amendment will not be registered and shall explain the deficiencies. Counsel shall provide a report to the committee each quarter identifying the plans that submitted registration amendments and whether each registration amendment was registered.

*History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: September 25, 2020.*

27 NCAC 01E .0315 REGISTRATION AMENDMENT FORM

Registration Amendment Form for Prepaid Legal Services Plan

A prepaid legal services plan shall file a registration amendment form with the secretary of the North Carolina State Bar no later than 30 days after a change in the information provided by the plan in its initial registration statement or in its last registration renewal form. Changes to the operation of the plan or to the governing documents of the plan that are inconsistent with the information contained in the plan's initial registration statement or in the plan's last registration renewal form may not be implemented until they are registered with the State Bar.

The plan owner shall provide complete responses to items 2 – 5 if he or she would like to amend the plan's current registration information. There is no need to complete items 2 – 5 if they have not changed. The plan owner shall provide complete responses to item 1 and items 6 – 11.

1. Current Registration Information

- a. Plan Name:
- b. Plan Number:

2. New Name of Plan:

3. New Owner of Plan

- a. Name:
- b. Title:

4. New Principal North Carolina Address for Plan

- a. Address:
- b. City:
- c. State:
- d. Zip Code:

5. New Contact Information for Plan Representative

- a. Name:
- b. Address:
- c. City:
- d. State:
- e. Zip Code:
- f. Telephone Number:
- g. Email Address:

6. Is the plan still offered by a person or entity not authorized to engage in the practice of law? [Yes] [No]

7. Does the plan, in exchange for any valuable consideration, still offer to arrange the provision of specified legal services that are paid for in advance of any immediate need for the specified legal service ("covered services")? [Yes] [No]

8. Are the legal services the plan offers to arrange still provided by North Carolina licensed attorneys who are not employees, directors, or owners of the plan? [Yes] [No]

9. Do the covered services the plan offers to arrange still extend beyond the sale of an identified, limited legal service, such as drafting a will, for a fixed, one-time fee? [Yes] [No]

10. After reading the foregoing form in its entirety, does the plan owner signing below certify that all statements made in this form are true and correct to the best of his or her knowledge? [Yes] [No]

11. Does the plan owner signing below understand that the amendments to this plan may not be implemented until the registration amendment form is registered with the North Carolina State Bar in accordance with 27 N.C.A.C. 1E §§ .0313 through .0315 of the North Carolina State Bar Regulations for Organizations Practicing Law? [Yes] [No]

Date

Signature of Plan Owner

Typed Name of Plan Owner

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: September 25, 2020.

27 NCAC 01E .0316 REVOCATION OF REGISTRATION

Whenever it appears that a plan: (1) no longer meets the definition of a prepaid legal services plan; (2) is marketed or operates in a manner that is not consistent with the representations made in the initial registration statement, the registration amendment form, or with the most recent registration renewal form filed with the North Carolina State Bar; (3) is marketed or operates in a manner that constitutes the unauthorized practice of law; (4) is marketed or operates in a manner that violates state or federal laws or regulations, including the rules and regulations of the State Bar; or (5) has failed to pay the annual registration fee, the committee may instruct the secretary of the State Bar to serve upon the plan owner a notice to show cause why the plan's registration should not be revoked. The notice shall specify the plan's apparent deficiency and allow the plan owner to file with the secretary a written response within 30 days of service. If the plan owner fails to file a timely written response, the secretary shall issue an order revoking the plan's registration and shall serve the order upon the plan owner. If a timely written response is filed, the secretary shall schedule a hearing, in accordance with Rule .0317 below, before the committee and shall so notify the plan owner. The secretary may waive such hearing based upon a stipulation by the plan owner and counsel that the plan's apparent deficiency has been cured. All notices to show cause and orders required to be served herein shall be served: (1) by certified mail at the address last provided to the State Bar by the plan owner; (2) in accordance with any other provisions of Rule 4 of the North Carolina Rules of Civil Procedure; or (3) by a State Bar investigator or by any person authorized by Rule 4 of the North Carolina Rules of Civil Procedure to serve process. The State Bar shall not register the registration renewal form of any plan for which the secretary has issued a notice to show cause under this section, but the plan may continue to operate under the prior registration statement until resolution of the show cause notice by the council.

History Note: Authority G.S. 84-23; 84-23.1
Adopted by the Supreme Court: August 23, 2007;
Amendments Approved by the Supreme Court: September 25, 2020;
Rule was transferred from 27 NCAC 01E .0312 on September 25, 2020.

27 NCAC 01E .0317 HEARING BEFORE THE AUTHORIZED PRACTICE COMMITTEE

The chair of the Authorized Practice Committee shall preside at any hearing concerning the registration of a prepaid legal services plan. The chair shall cause a record of the proceedings to be made. Strict compliance with the North Carolina Rules of Evidence is not required, but the North Carolina Rules of Evidence may be used to guide the committee in the conduct of an orderly hearing. The counsel shall represent the State Bar and may offer witnesses and documentary evidence, may cross-examine adverse witnesses, and may argue the State Bar's position. The plan owner may appear and may be represented by counsel, may offer witnesses and documentary evidence, may cross-examine adverse witnesses, and may argue the plan owner's position. The burden of proof shall be upon the plan owner to establish that the plan meets the definition of a prepaid legal services plan, that all registration fees have been paid, and that the plan has operated and does operate in a manner consistent with all applicable law, with these rules, and with all representations made in its then current registration statement. If the plan owner meets its burden of proof, the initial registration statement, the registration amendment form, or the registration renewal form in question shall be registered. If the plan owner fails to meet its burden of proof, the committee shall recommend to the council that the plan's initial registration statement, registration amendment form, or registration renewal form be denied or revoked.

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: August 23, 2007;
Amendments Approved by the Supreme Court: September 25, 2020;
Rule was transferred from 27 NCAC 01E .0313 on September 25, 2020.

27 NCAC 01E .0318 ACTION BY THE COUNCIL

Upon the recommendation of the Authorized Practice Committee, the council may enter an order denying or revoking the registration of a plan. The order shall be effective when entered by the council. A copy of the order shall be served upon the plan owner as prescribed in Rule .0316 above.

History Note: Authority G.S. 84-23; 84-23.1;
Adopted by the Supreme Court: August 23, 2007;
Amendments Approved by the Supreme Court: September 25, 2020;
Rule was transferred from 27 NCAC 01E .0314 on September 25, 2020.

SECTION .0400 - RULES FOR ARBITRATION OF INTERNAL LAW FIRM DISPUTES

27 NCAC 01E .0401 PURPOSE

Subject to these rules, the North Carolina State Bar will administer a voluntary binding arbitration program for resolution of disputed issues between lawyers arising out of the dissolution of law firms or disputes within law firms. The purpose of this arbitration procedure is to provide a mechanism for resolving economic disputes between lawyers arising out of the operation or dissolution of law firms.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0402 SUBMISSION TO ARBITRATION

The program is voluntary. The procedure shall be instituted by a written submission to arbitration agreement, executed by all the parties to the dispute, in a form and manner as provided by the executive director of the North Carolina State Bar.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0403 JURISDICTION

The procedure may be used for the resolution of any dispute if all of the following conditions are met:

- (1) the disputed issues submitted to arbitration hereunder shall be solely between or among lawyers who are members of the same law firm;
- (2) the dispute arises out of an economic relationship between or among lawyers concerning the operation, dissolution, or proposed dissolution of the law firm of which they are members;
- (3) at least one of the parties to such dispute resides or maintains an office for the practice of law in the state of North Carolina and is a member of the North Carolina State Bar;
- (4) all parties agree in a written submission to arbitration agreement to submit the issues in dispute to binding arbitration under these rules and procedures.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0404 ADMINISTRATION

The North Carolina State Bar is the administrator of the arbitration program, through its executive director and his designees, to carry out all administrative functions, including those specified in Rules .0406 through .0410 of this subchapter.

History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.

27 NCAC 01E .0405 UNIFORM ARBITRATION ACT

Except as modified herein, all arbitration procedures will be governed by Article 45A of Chapter 1 of the General Statutes of North Carolina (Uniform Arbitration Act). Said Uniform Arbitration Act and any amendments thereto are hereby incorporated by reference and constitute a part of these rules.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0406 LIST OF ARBITRATORS

The North Carolina State Bar shall establish a list of arbitrators, consisting of attorneys or retired judges, who have been members of the North Carolina State Bar for at least 10 years and who have indicated a willingness to serve. The parties shall, in their submission to arbitration agreement, elect to have one or three arbitrators. The administrator shall thereafter provide each party with the list of arbitrators.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0407 SELECTION OF ARBITRATORS

If three arbitrators are to be selected, then

- (1) each party to the dispute shall, within 10 days after receipt of notice from the administrator, select one arbitrator on the approved list who shall be contacted by the administrator concerning his or her ability to serve and dates of availability. The two arbitrators so chosen shall execute an oath and appointment of arbitrator certificate provided by the administrator. Within 15 days after certification, the two arbitrators shall choose a third from the administrator's approved list, who shall also execute an oath and appointment certificate. Failure of the two arbitrators to choose a third within the allotted time shall constitute a consent to have the third arbitrator chosen by the administrator;
- (2) if the opposing parties cannot, because of the number of parties involved, settle upon two arbitrators who are to choose the third as set forth above, then the administrator shall notify the parties and appoint all three arbitrators from the approved list.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0408 FEES AND EXPENSES

All expenses and the arbitrator(s) fees shall be paid by the parties. Arbitrator(s) compensation shall be at the same rate paid to retired judges who are assigned to temporary active service as provided in G.S. 7A-52 or any successor statutory provision. The administrator may require from each party an escrow deposit covering anticipated fees and expenses.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0409 CONFIDENTIALITY

It is the policy of the North Carolina State Bar to protect the confidentiality of all arbitration proceedings. The parties, the arbitrators, and the North Carolina State Bar shall keep all proceedings confidential, except that any final award shall be enforceable under Chapter 1, Article 45A.

*History Note: Authority G.S. 84-23;
Readopted Eff. December 8, 1994.*

27 NCAC 01E .0410 AUTHORITY TO ADOPT AMENDMENTS AND REGULATIONS

The North Carolina State Bar may, from time to time, adopt and amend procedures and regulations consistent with these rules and amend or supplement these rules or otherwise regulate the arbitration procedure.

History Note: Authority G.S. 84-23;

Readopted Eff. December 8, 1994.