

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

S

D

SENATE BILL 572
PROPOSED COMMITTEE SUBSTITUTE S572-CSBB-9 [v.1]
04/24/2019 12:29:01 PM

Short Title: S Corp Pro Se Representation in Court.

(Public)

Sponsors:

Referred to:

April 4, 2019

A BILL TO BE ENTITLED
AN ACT TO ALLOW AN S CORPORATION TO REPRESENT ITSELF IN ANY COURT IN
THIS STATE AND IN OTHER LEGAL FORUMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 84-5 reads as rewritten:

"§ 84-5. Prohibition as to practice of law by corporation.

(a) ~~It~~ Except as provided in subsection (c) of this section, it shall be unlawful for any corporation to practice law or appear as an attorney for any person in any court in this State, or before any judicial body or the North Carolina Industrial Commission, Utilities Commission, or the Department of Commerce, Division of Employment Security, or hold itself out to the public or advertise as being entitled to practice law; and no corporation shall organize corporations, or draw agreements, or other legal documents, or draw wills, or practice law, or give legal advice, or hold itself out in any manner as being entitled to do any of the foregoing acts, by or through any person orally or by advertisement, letter or circular. The provisions of this section shall be in addition to and not in lieu of any other provisions of Chapter 84. Provided, that nothing in this section shall be construed to prohibit a banking corporation authorized and licensed to act in a fiduciary capacity from performing any clerical, accounting, financial or business acts required of it in the performance of its duties as a fiduciary or from performing ministerial and clerical acts in the preparation and filing of such tax returns as are so required, or from discussing the business and financial aspects of fiduciary relationships. Provided, however, this section shall not apply to corporations authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina.

To further clarify the foregoing provisions of this section as they apply to corporations which are authorized and licensed to act in a fiduciary capacity:

...

(b) Nothing in this section shall prohibit an attorney retained by a corporation, whether or not the attorney is also a salaried employee of the corporation, from representing the corporation or an affiliate, or from representing an officer, director, or employee of the corporation or an affiliate in any matter arising in connection with the course and scope of the employment of the officer, director, or employee. Notwithstanding the provisions of this subsection, the attorney providing such representation shall be governed by and subject to all of the Rules of Professional Conduct of the North Carolina State Bar to the same extent as all other attorneys licensed by this State.

(c) Notwithstanding Section (a), S Corporations as defined in G.S. 105-131 may represent themselves and appear in any court of this State using a nonattorney representative who is one or more of the following of the S Corporation: (i) officer, (ii) employee whose income is



* S 5 7 2 - C S B B - 9 *

1 reported on IRS Form W-2, or (iii) owner of the business entity, if the owner's interest in the
2 business entity is at least twenty-five percent (25%)."

3 **SECTION 2.** This act is effective when it becomes law.