

PROFESSIONAL FIRMS

BACKGROUND

Minnesota Statutes § 481.02, subdiv. 2 provides that, with certain exceptions, a corporation organized for pecuniary profit may not engage in the practice of law unless it is organized under Chapter 319B. Chapter 319B, The Minnesota Professional Firms Act, sets forth various requirements and principles pertaining to professional firms. The Act is a statutory overlay which applies to firms providing professional services as that term is defined in the Act. Professional services includes the practice of law. The provisions of the Act apply in addition to other statutes and regulations pertaining to corporate entities. The Act defines professional firms to include corporations, limited liability companies, and limited liability partnerships wherever incorporated, organized, or registered, Minn. Stat §319B.02, subdiv. 5.

INITIAL FILINGS

Minn. Stat. § 319B.11, subdiv. 3 provides that “No professional firm may furnish professional services within Minnesota until the firm files with each board having jurisdiction over the pertinent professional services: (1) a copy of the firm’s organizational document, certificate of authority, or statement of qualification; (2) a report containing the same information as required by subdivision 4; and (3) except as stated in paragraph (b), a fee of \$100.”

After filing the required documents with the Secretary of State’s office, the following should be filed with the Office of Lawyers Professional Responsibility (OLPR) together with a completed Professional Firms First Report form.:

- **For professional firms organized under Chapter 302A and 317A:** a plain copy of the Articles of Incorporation containing the Secretary of State’s proof of filing and a plain copy of the Certificate of Incorporation issued by the Secretary of State.
- **For professional firms organized under Chapter 322B:** a plain copy of the Articles of Organization containing the Secretary of State’s proof of filing and a plain copy of the Certificate of Organization issued by the Secretary of State.
- **For professional firms organized under Chapter 323:** a plain copy of the registration statement containing proof of filing from the Secretary of State’s Office.

The First Report form may be obtained from the OLPR by calling 651-296-3952 or by downloading it from the OLPR’s Web site, <http://lprb.mncourts.gov/Pages/Default.aspx/> under the “Lawyer Resources” pull-down menu and click on “Professional Firms.”

As noted above, a professional firm may not commence doing business until it has filed the required documentation and paid the initial fee. The documents that must be filed all require proof of filing from the Secretary of State’s Office. There will be lag time between the time of filing and the time the articles with proof of filing and the certificate are returned by the Secretary of State. In order to do business during this lag time it is permissible to file a plain, unstamped, copy of the articles or registration statement so long as the copies with proof of filing and certificates are filed promptly after they have been received back from the Secretary of State.

REPORTS

Once the initial filings are completed, nothing further need be filed with the Office of Lawyers Professional Responsibility until the end of the calendar year. Minn. Stat. § 319B11, subdiv. 4 requires that all professional firms shall file annually, on or before January 1, a report with the board having jurisdiction over them. Annual report forms are mailed to all professional firms on record with us in November of each year. The report must be completed and filed by all professional firms, regardless of whether they actively conducted business during the year or the length of time they were in business during the year. Each report must be accompanied by a filing fee of \$100 for the first report and \$25 per year thereafter.

CEASING BUSINESS AS A PROFESSIONAL FIRM

As long as the firm is in existence there is an ongoing obligation to file the annual reports and pay the filing fees, regardless of whether any business was conducted.

The filing of a Certificate of Dissolution issued by the Secretary of State indicating that the firm has been dissolved will terminate the filing requirement. Please note that a notice of intent to dissolve is not the same thing as the Certificate of Dissolution.

Minn. Stat. §319B.03, subdiv. 3, provides that a professional firm may rescind its election to be governed by the Professional Firms Act by updating its organizational document to delete the statement, acknowledgement, and specification in that document electing to become a professional firm. Please note, however, that amending the organizational document to take the firm out of the purview of the Act means the firm will no longer be able to practice law.

A professional limited liability partnership may terminate the filing requirement by filing with the Office of Lawyers Professional Responsibility a copy of its withdrawal statement containing proof of filing with the Secretary of State's office.