

## **ADMINISTRATIVE DISSOLUTION**

### **Frequently Asked Questions**

Here are some answers to questions we receive frequently from the public about Administrative Dissolutions. We provide this for informational purposes only. It does not constitute legal advice.

#### **Subtopics:**

1. [About Notices of Grounds for Administrative Dissolution](#)
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3. [Dealing with Past Administrative Dissolutions](#)
4. [Registered Agents and Administrative Dissolution](#)
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#### **1. About Notices of Grounds for Administrative Dissolution**

##### **What happens if my company is administratively dissolved?**

You may lose some of the benefits of being incorporated. For example, if your company is not reinstated within 5 years, you may lose the right to use the same name. You should consult your attorney to find out how the dissolution will affect your business.

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##### **Why do you send out a Notice of Grounds before you dissolve a corporation?**

We send a **Notice** out before we dissolve or revoke an entity for several reasons. The Notice lets the business know that there is a problem. Then the business has a chance to fix it before we are required to take action which might affect the business.

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##### **What kind of things can cause my business to get a Notice of Grounds for Administrative Dissolution or Revocation?**

There are 3 basic reasons we send out Notices to people. The reasons are:

1. There's something you or the business were supposed to do and it didn't get done. Examples of "it didn't get done" reasons are:
  - You didn't pay fees you owe us and they're more than 60 days past due.
  - You didn't file an annual report with us.

- It's been more than 60 days since you:
    - Had a registered agent in North Carolina
    - Had a registered office in North Carolina
  - You didn't notify us about changes within 60 days of when the change took place. The changes this applies to are:
    - Changes in who your registered agent is
    - Changes in where your registered office is OR
    - The registered office on file with us isn't valid any more.
  - 2. When you originally incorporated the business, you gave a date when the company would cease to exist. That date has passed.
  - 3. We sent you questions called interrogatories. You either didn't answer them or you didn't answer truthfully.
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### **What is the purpose of Notices of Grounds for Administrative Dissolution or Revocation?**

Our corporations database is used by many people and businesses. If our records are not up to date, they are not as useful to businesses and the public. Notices of Administrative Dissolution and Revocation are one of the ways we keep our records up to date.

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## **2. Dealing with a Notice of Grounds for Administrative Dissolution**

### **How much time do I have to fix the problem before you dissolve my company?**

You have to fix the problem within 60 consecutive days (not business days) from the day we send you the letter. The date is at the top of the letter.

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### **I have tried to call Customer Service but I can't get through. How else can I reach you?**

If you can't get through on the phone, you can:

- Leave us a voice mail at 919-807-2225
- Send an e-mail to [notice@sosnc.com](mailto:notice@sosnc.com) OR
- Fax a question to 919-807-2294.

**Please do not do all of those things or leave us repeated messages.** We often send a large number of Notices at one time. That means we get a lot of calls from people who received the Notices. So please be patient. We'll return your message or e-mail in the order in which we got it. **We WILL NOT go ahead and dissolve your business while we're reviewing your information.**

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### **I got a Notice of Grounds for Administrative Dissolution or Revocation. Why?**

Look at the letter (called a Notice) carefully. You should be able to find the specific reasons for the Notice listed in the first paragraph. The letter may list more than one reason because we list all the reasons we know about when we send it.

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### **I've gotten a Notice of Grounds for Administrative Dissolution. How can I keep my company from getting administratively dissolved?**

- Read the notice carefully.
- Look at your company's records on our website. To do that, click [here](#).
- Decide if the reasons for dissolution in the Notice:
  - (a) Exist. For example, you may have forgotten to inform us that you had changed your registered agent. In that case you will have to complete the change form and submit the fee. Click here for our forms page.
  - (b) Do not exist. For example, you may have submitted your annual report to the Department of Revenue and they may not have sent it to us. You would send us a copy of the form to show that there aren't grounds for dissolution.

Whatever the reason is, you have to deal with it within 60 days or we will dissolve the corporation.

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### **What can I do if I feel this Notice is a mistake?**

If you think we made a mistake when we sent you the Notice, this is what you should do:

- You should send an email to our Customer Service Unit at [notice@sosnc.com](mailto:notice@sosnc.com).
- You should be sure to put "Notice of Grounds Received in Error" in the subject line of your email.
- Be sure to include in your email:

- All the facts that you think show we made a mistake.
  - Any attachments you want us to consider when we review the matter.
  - A telephone number so we can call you if we have questions.
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**What happens after I send you the email and information about the mistake I think you made?**

After we get your email and attachments, we will look at our records and all the information you sent us. If we have questions, we will call you or email you. We will also let you know if we decide you're right and your business shouldn't be dissolved.

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**Can you tell me how long your review will take?**

No, we can't tell you exactly how long the review will take. That's because we do the reviews in the order we receive them. We can tell you that we will NOT go ahead and dissolve your business while we're reviewing your information.

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**3. Dealing with Past Administrative Dissolutions**

**My company has already been administratively dissolved. How can I get it reinstated?**

The steps to get reinstated are:

- 1st: Fix the problem that caused it to be dissolved. For example, if you have overdue annual reports, you will have to file them all. You will also have to pay all the fees.
  - 2nd: Fill out the Reinstatement Form. Be sure you fill out the right form. There is a different form for each type of business entity: business corporation, LLC, etc. Click here to go to the forms webpage.
  - 3rd: File the Reinstatement Form and pay fee reinstatement fee.
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**What is the effective date of the reinstatement?**

The effective date is the same date the administrative dissolution occurred.

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**I just found out my company was administratively dissolved a long time ago. I want to reinstate it, but the name is not available. Why?**

If it has been more than 5 years since the company was dissolved, the name is available for anyone who wants to use it. After 5 years, a dissolved company loses the right to use the name it was incorporated with.

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**What can we do if we lost the right to use the original business name because we waited too long to get reinstated?**

You can still reinstate your company but you'll have to use a different name. We will fix it so the filing history of the company with the old name stays with you under the new name. You may also want to consult an attorney.

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**Can I appeal if you deny my application for reinstatement?**

Yes, you can appeal if we deny your application for reinstatement. Information about how to appeal is included in the letter denying your application. You'll have to file your appeal in Wake County Superior Court within 30 days after the notice of denial is served.

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#### **4. Registered Agents and Administrative Dissolution**

**I am a registered agent for a company that's been administratively dissolved. Does that mean my duties have ended?**

Your duties as a registered agent do not stop when the company is administratively dissolved. As long as you are the registered agent, you have to accept and forward mail to the company.

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**I am a registered agent for a company. How can I stop being the registered agent?**

You need to fill out the BE-07 form, "Statement of Resignation of Registered Agent" and submit it to us, there is no fee. You also need to mail the company a copy of the filed form.

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#### **5. Business Fraud and Related Issues**

**What can you do if someone tries to form a company for an unlawful purpose?**

We can refuse to incorporate a company if it's clear the purpose is unlawful.

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**What happens when you reject a document because the company's purpose is unlawful?**

We return the filing to the person who submitted it with an explanation on why it was rejected. The fees the person paid are not refunded.

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**I know of a company that committed fraud in its incorporation documents. Can you administratively dissolve it?**

After a corporation has been formed, we can't dissolve it if we find out that they lied in the incorporation documents. There may be times when we can refer the matter to law enforcement or the Attorney General.

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**What can you do if a company says it has a legal purpose when it's formed, then changes it to an illegal purpose later?**

Once a corporation is formed, we can't dissolve it because it changes its purpose to an illegal one. Sometimes we can refer the matter to law enforcement or the Attorney General. But, you can also go to law enforcement or the Attorney General.

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**So, you say you can't dissolve a corporation after it's formed and you find out it lied on its incorporation documents. And you can't dissolve it even if you find out it changes its purpose to an illegal one. Is there anybody who can?**

Yes, a North Carolina Superior Court Judge can judicially dissolve a business if the right conditions exist. The Attorney General has to sue or certain other people can sue. Those other people are: a shareholder or a creditor of the business or the company itself. The Attorney General can sue to have a company judicially dissolved if:

- The business committed fraud to get its Articles of Incorporation
  - The Attorney General has given written notice to the business to stop exceeding or abusing its authority and it doesn't stop.
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**What can I do if I know that a company was not truthful about being formed for a lawful purpose when it filed for incorporation?**

You should give this information to:

NC Department of Justice,  
Consumer Protection: 1-877-5-NoScam  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
Telephone: 919-716-6400  
Fax: 919-716-6750

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### **What can I do if I know that a company is engaging in unlawful activities?**

What you can do depends on different factors:

- What kind of illegal activities do you think the company is engaging in?
- Do you work for the company?
- Do you think they are just not following the law or that they are committing a crime?

There are many different kinds of business crimes and violations of rules and law. You may want to consult an attorney for advice. You may want to talk to local law enforcement. You can also call the Attorney General's office:

NC Department of Justice,  
Consumer Protection: 1-877-5-NoScam  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
Telephone: 919-716-6400  
Fax: 919-716-6750

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### **What can I do if I know of a nonprofit I think is doing something illegal?**

There are several different places you can report a nonprofit that you think is doing something illegal. They are:

- Our Charitable Solicitation Licensing Division at:  
[Charitable Solicitation Licensing Division Contact Information](#)
- NC Department of Justice,  
Consumer Protection: 1-877-5-NoScam  
9001 Mail Service Center  
Raleigh, NC 27699-9001  
Telephone: 919-716-6400  
Fax: 919-716-6750

- Internal Revenue Service (IRS)  
<http://www.irs.gov/>

If you think the nonprofit is committing a crime, you may also want to talk to law enforcement.

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