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North Carolina Secretary of State

IT

KB Website Manual

**Business Opportunity Sales**

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## About Business Opportunity Sales Manual

This manual gives an overview of the web pages and features of the NC SOS KB website's **Business Opportunity Sales** section. The Business Opportunity Sales office is responsible for regulating business opportunity sales in North Carolina.

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# Business Opportunity Sales

The Business Opportunity Sales information can be found under the **Programs** section of the NC Secretary of State (NC SOS) website.

Go to the NC SOS website <https://test.sosnc.gov/>.

Select **Programs**.

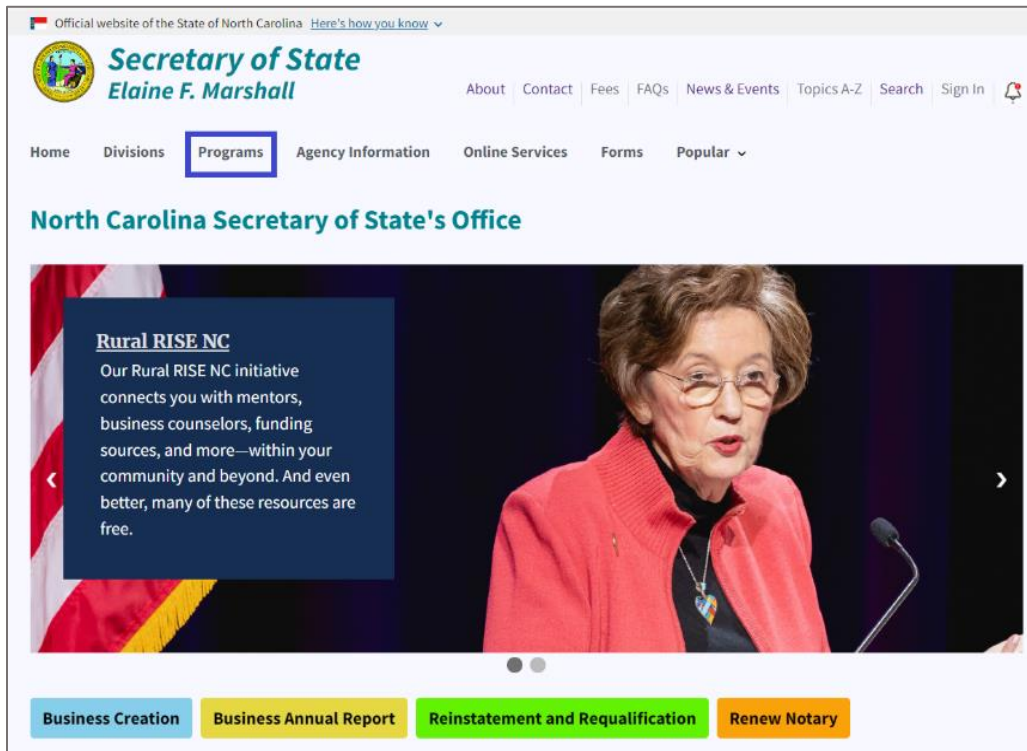


Figure 1. Programs link

On the **Programs** page, select **Business Opportunity Sales**.

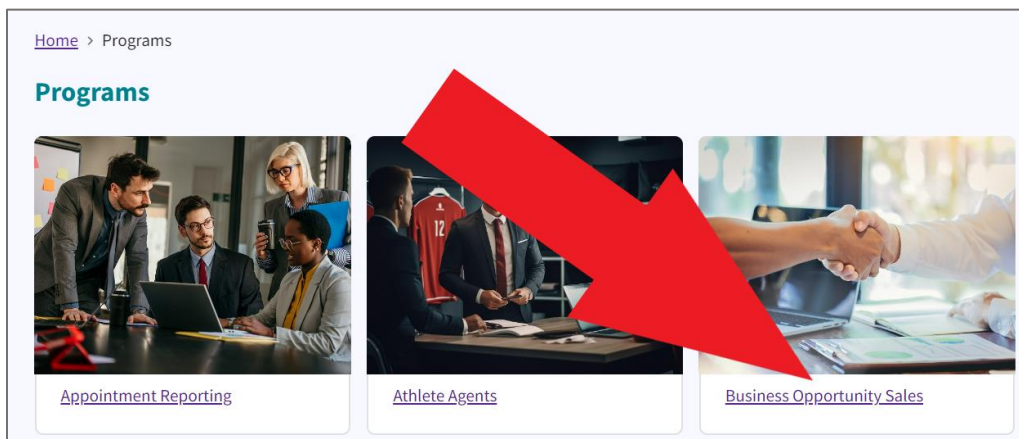


Figure 2. Business Opportunity Sales link

This takes you to the **Business Opportunity Sales** page.

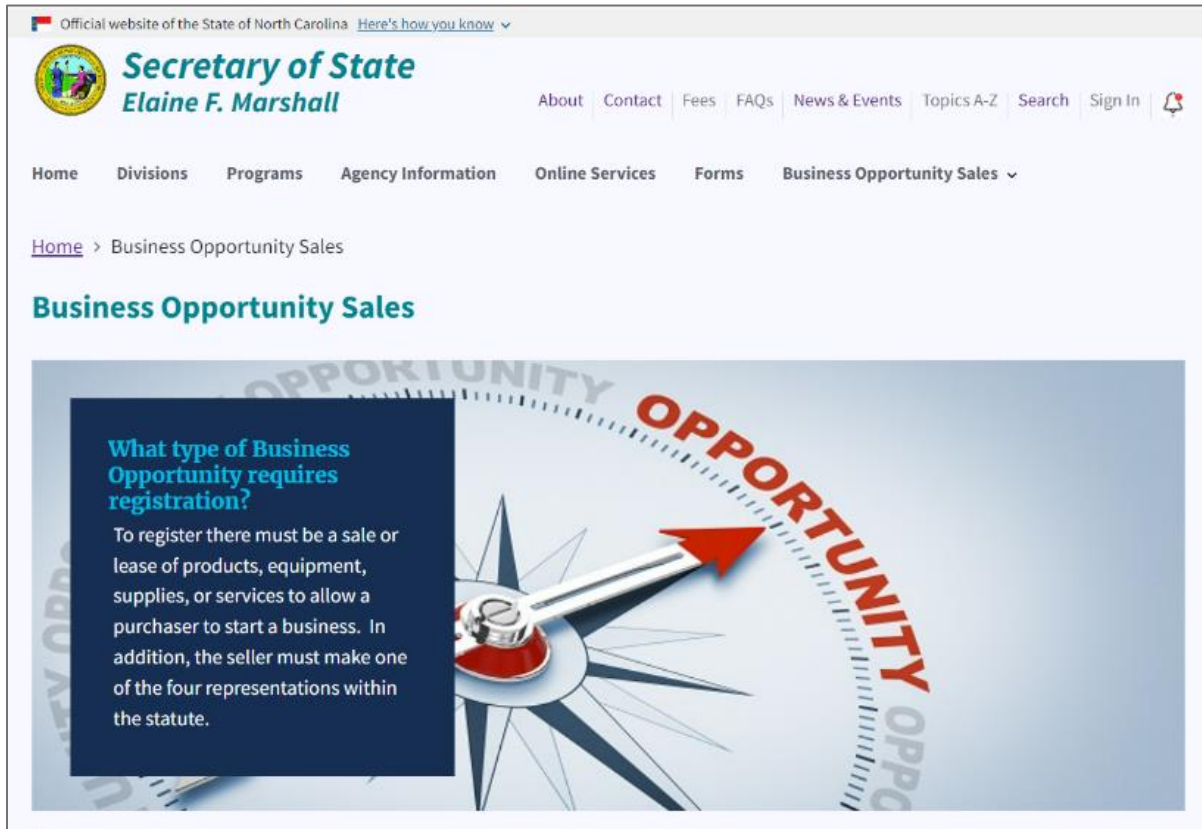


Figure 3. Business Opportunity Sales page

## Business Opportunity Sales

The **Business Opportunity Sales** page contains links and contact information for the Business Opportunity Sales Office.

The Business Opportunity Sales Office does the following:

“We register Business Opportunity Sales that fall within Chapter 66, Article 19 of the North Carolina General Statutes and issue registration certificates.”

### Search Business Opportunity Sales

To search for Business Opportunity Sales information on a company, select the search method in **Words** dropdown and then type the name of the company or individual in the **Search** entry field.

Click **Search**.

**Search Business Opportunity Sales**

Words

Search (Required)

**Search**

Figure 4. Search Business Opportunity Sales tool

For an example, let’s select “**All**” in the **Words** dropdown and type “**cat**” in the **Search** field. Click **Search**.

The following are the results:

[Home](#) > [Business Opportunity Sales](#) > [Search](#) > Business Opportunity Sales Search

**Business Opportunity Sales Search**

**Search Result**

10 Results

Words All Words Search Cat Search Time 2/21/2024 01:35 PM

C2 Educational Centers	+
Callrn Franchise, LLC D/b/a Assisted Living Locators	+
Cambridge Educational Center, Inc.	+
Hfg Communications, Inc.	+

Figure 5. Search Results of "cat" example

Click on one of the company links.

For this example, we click **C2 Educational Centers**.

The Search Results are seen in **Figure 6**.

The screenshot shows a search results page with the following content:

- Navigation: [Home](#) > [Business Opportunity Sales](#) > [Search](#) > Business Opportunity Sales Search
- Section Header: **Business Opportunity Sales Search**
- Section Header: **Search Result**
- Results Count: 10 Results
- Metadata: Words All Words Search Cat Search Time 2/21/2024 01:35 PM
- Result 1: **C2 Educational Centers** (with a minus sign icon)
- Address: PO Box 540, Great Falls, VA 22066
- Link: [Filings for C2 Educational Centers](#)
- Result 2: **Callrn Franchise, LLC D/b/a Assisted Living Locators** (with a plus sign icon)

Figure 6. Specific results of example search

The Search Results show the company's name, address, and a link to previous filings.

This screenshot is identical to Figure 6, but with the link [Filings for C2 Educational Centers](#) highlighted with a blue selection box.

Figure 7. Link to Filings selected

Select the **Filings for C2 Educational Centers** link.

After selecting the previous filings link, you are taken to a list of previous filings. The information displayed includes: registration date, registration number, and a View Details link.

See **Figure 8**.

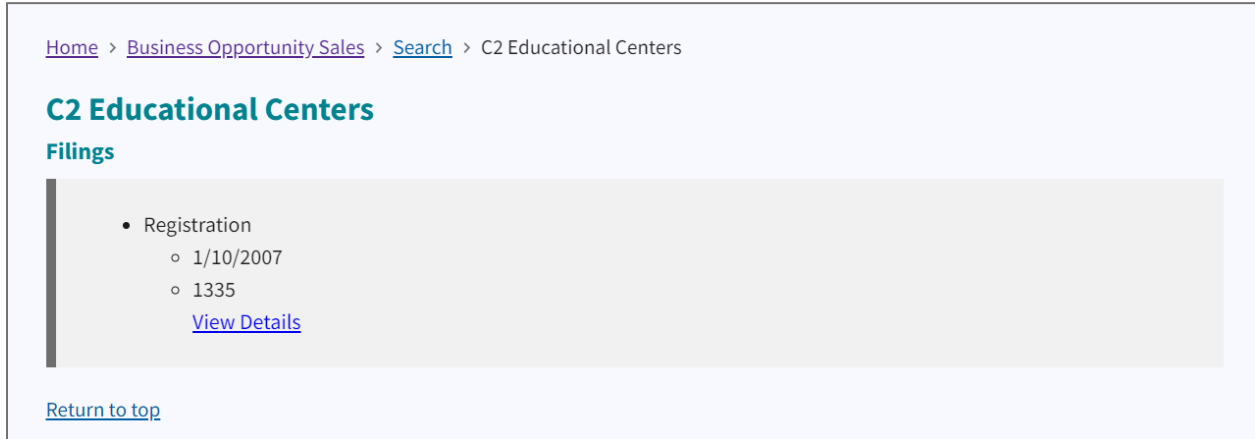


Figure 8. View Details link

Select the **View Details** link.

This link takes you to a list of previous filings (registrations) with downloadable links to the filing document.

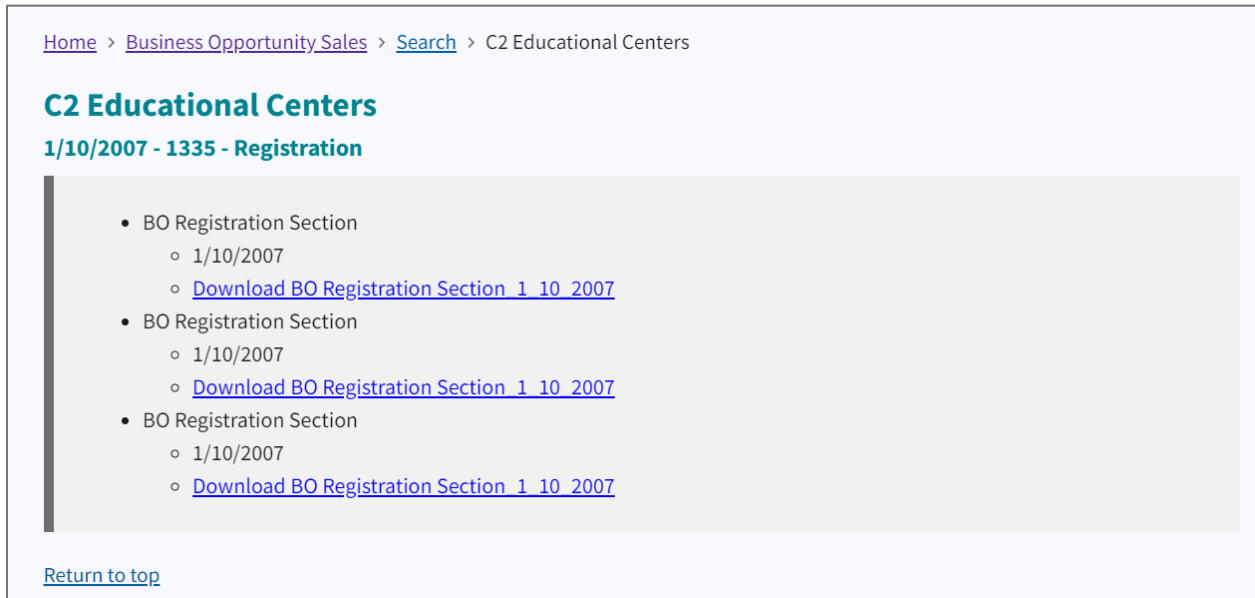


Figure 9. List of previous registrations



## Browse Business Opportunity Sales

Beneath the **Search Business Opportunity Sales** tool, you find the following six box links:

- [Frequently Asked Questions](#)
- [Forms](#)
- [Consumer Guide to Surety Bonds](#)
- [General Information](#)
- [Statutes](#)
- [Search](#)



Figure 10. Browse Appointment Reporting box links

Here, we describe each of the six box links of the **Browse Business Opportunity Sales Office** section.

### Frequently Asked Questions

Select **Frequently Asked Questions**.

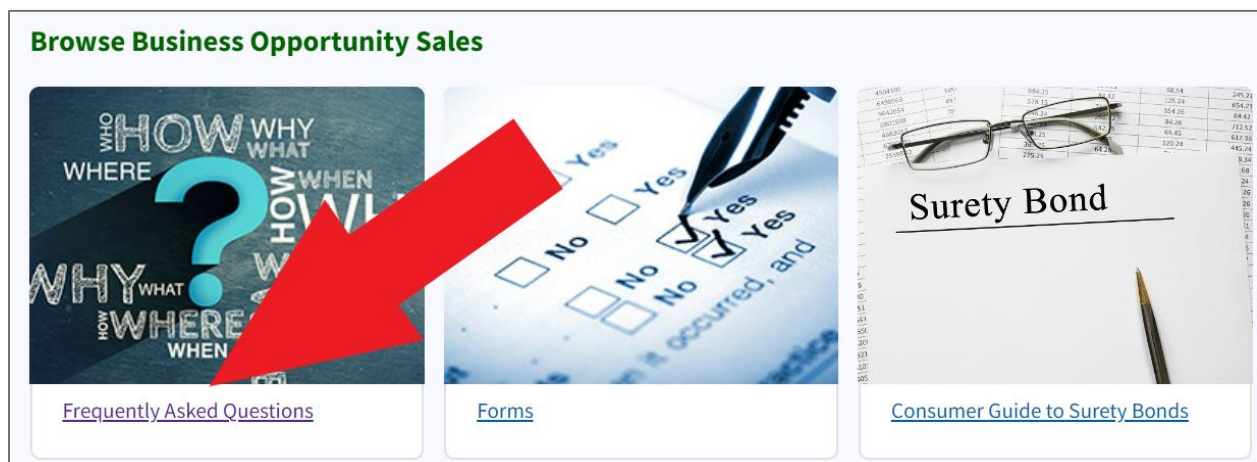


Figure 11. Arrow pointing to Frequently Asked Questions link

The [Frequently Asked Questions](#) page has two dropdown menus to select the division and area of interest. For Business Opportunity Sales, the results show eighteen questions and answers.



Figure 12. Frequently Asked Questions page

## Forms

Select **Forms**.

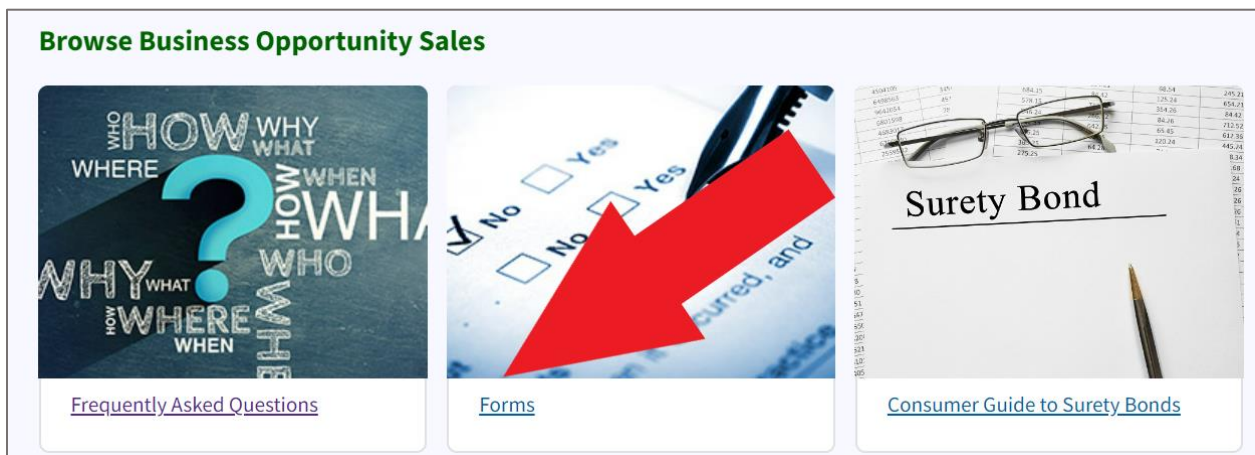


Figure 13. Arrow pointing to Forms link

The [Forms](#) page has two downloadable forms:

- [Business Opportunity Sales Consent to Service of Process](#)
- [Business Opportunity Surety Bond](#)

## Consumer's Guide to Surety Bonds

Select **Consumer's Guide to Surety Bonds**.



Figure 14. Arrow pointing to Consumer Guide to Surety Bonds link

This link takes you to the PDF copy of the [Consumer’s Guide to Surety Bonds](#), published by the NC Department of Insurance.

To learn what a surety bond is, see [Defined terms](#).

**General Information**

Click the **General Information** box link.



Figure 15. Arrow pointing to the General Information link

## General Information

[Article 19, Chapter 66 North Carolina General Statutes](#) [↗](#)

A business opportunity (Bus-Op) is the sale or lease of any products, equipment, supplies or services for the purpose of enabling the purchaser to start a business.

The seller must also represent one of the following four things:

- That the seller will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases or other similar devices or currency-operated amusement machines or devices, on premises neither owned nor leased by the purchaser or seller; or
- That the seller may, in the ordinary course of business, purchase any or all products made, produced, fabricated, grown, bred or modified by the purchaser using in whole or in part the supplies, services or chattels sold to the purchaser; or

*Figure 16. General Information page*

This takes you to the General Information page which defines business opportunity and seller and their roles. Also, the page includes a list of required documents for initial filing as well as instructions for updating a registration.

The content on this page is as follows:

A business opportunity (Bus-Op) is the sale or lease of any products, equipment, supplies or services for the purpose of enabling the purchaser to start a business.

The seller must also represent one of the following four things:

- That the seller will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases or other similar devices or currency-operated amusement machines or devices, on premises neither owned nor leased by the purchaser or seller; or
- That the seller may, in the ordinary course of business, purchase any or all products made, produced, fabricated, grown, bred or modified by the purchaser using in whole or in part the supplies, services or chattels sold to the purchaser; or
- The seller guarantees that the purchaser will derive income from the bus-op which exceeds the price paid for the bus-op; or that the seller will refund all or part of the price paid for the bus-op, or repurchase any of the products, equipment, supplies or chattels supplied by the seller, if the purchaser is unsatisfied with the bus-op and pays to the seller an initial, required consideration which exceeds two hundred dollars (\$200); or

- That the seller will provide a sales program or marketing program which will enable the purchaser to derive income from the bus-op which exceeds the price paid for the bus-op. (This does not apply to the sale of a marketing program made in conjunction with the licensing of a federally registered trademark or a federally registered service mark, or when the purchaser pays less than \$200.)

Note that a Bus-Op is not the sale of an on-going business when the owner of the business sells and intends to sell only that one business.

### **Required Documents**

Documents that must be filed under this Act with the Secretary of State include:

#### **Surety Bond or Trust Account**

If the bond is not applicable to your submission, state so on the documentation.

- One (1) copy of a surety bond or formal notification of the establishment of a trust account, if required.
- The bond or trust notification should be reviewed to determine compliance with [G.S. § 66-96](#).
- The bond or trust account notification must be submitted with the disclosure statement.

#### **Disclosure Statement**

The seller of every business opportunity shall file the Secretary two (2) copies of either disclosure statement as listed below:

- North Carolina Disclosure Statement [N.C.G.S. §66-95](#)
- A franchise disclosure document that complies in all material respects with 16 C.F.R. Part 436

These statutes should be reviewed to determine that all information required are contained within the disclosure documentation, including the required coversheet.

#### **Irrevocable Consent**

- An irrevocable consent to service of process appointing the Secretary of State attorney for the acceptance of lawful process.

#### **Update of Information**

- The registration is to be updated as any information is changed or there is a change in the status of the surety bond or trust account. If there are no changes, the information is to be confirmed annually.

- The update of information fee is \$250.
- The North Carolina Secretary of State’s Office does not send reminder notices.

**Fees**

- There is a \$250.00 annual filing fee. The fee may be paid by check or money order and made payable to the North Carolina Secretary of State.
- If you are requesting paper copies of a disclosure statement, the cost is \$1.00 per page.
- Makes checks payable to "North Carolina Secretary of State".

**Submit Document Package to:**

**Mailing Address for Regular Mail:**

North Carolina Secretary of State  
 Business Opportunity Sales  
 Post Office Box 29622  
 Raleigh, North Carolina 27626-0622

**Street Address for Overnight Mail:**

North Carolina Secretary of State  
 Business Opportunity Sales  
 2 South Salisbury Street  
 Raleigh, North Carolina 27601-2903

**Statutes**

Select **Statutes**.



Figure 17. Arrow pointing to Statutes link

This link takes you to the NC Legislature’s page for [Chapter 66 - Article 19 \(ncleg.net\)](https://www.ncleg.net/Chapter-66-Article-19) which regulates business opportunity sales in North Carolina.



## Search

Select **Search**.



Figure 18. Arrow pointing to the Search link

This is the [Search Business Opportunity Sales](#) tool.

The screenshot shows a web page with a breadcrumb trail: 'Home > Business Opportunity Sales > Search Business Opportunity Sales'. Below the breadcrumb is the heading 'Search Business Opportunity Sales'. The search tool interface includes a 'Words' dropdown menu with 'All' selected, a 'Search (Required)' text input field, and a blue 'Search' button.

Figure 19. Search Business Opportunity Sales search tool

## What We Do

Below the **Browse Business Opportunity Sales** box links is the **What We Do** section. See **Figure 20**.

The **What We Do** section defines the purpose and mission of the Business Opportunity Sales Office as: “We register Business Opportunity Sales that fall within Chapter 66, Article 19 of the North Carolina General Statutes and issue registration certificates.”

## What We Do

We register Business Opportunity Sales that fall within Chapter 66, Article 19 of the North Carolina General Statutes and issue registration certificates.

## Contact Business Opportunity Sales

### Mailing Address for Regular Mail:

North Carolina Secretary of State  
Business Opportunity Sales  
Post Office Box 29622  
Raleigh, North Carolina 27626-0622

### Street Address for Overnight Mail:

North Carolina Secretary of State  
Business Opportunity Sales  
2 South Salisbury Street  
Raleigh, North Carolina 27601-2903

### Email

[programs@sosnc.gov](mailto:programs@sosnc.gov)

### Phone

[919-814-5408](tel:919-814-5408)

Figure 20. What We Do section

## Contact Business Opportunity Sales Office

Four methods of communication are listed here: email, telephone, postal mail, and hand delivery (physical address). See **Figure 20**.

**Email:** [programs@sosnc.gov](mailto:programs@sosnc.gov)

**Telephone:** (919) 814-5408

### Mailing Address:

North Carolina Secretary of State  
Business Opportunity Sales  
Post Office Box 29622  
Raleigh, NC 27626-0622

### Physical Address:

North Carolina Secretary of State  
Business Opportunity Sales  
2 South Salisbury Street  
Raleigh, NC 27601-2903



## Frequently Asked Questions

### What is a Business Opportunity Sale?

A business opportunity (Bus-Op) is the sale or lease of any products, equipment, supplies, or services for the purpose of enabling the purchaser to start a business.

### Who is considered a business opportunity sales person?

To be considered a Seller, the person must represent one of these four criteria:

- Seller will provide locations or assistance in finding locations for use or operation of vending machines, racks, display cases, or similar devices. This includes currency-operated amusement machines or devices, on premises which are not owned, or leased by the purchaser or seller.
- Seller may purchase any or all products made, produced, fabricated, grown, bred, or modified by the buyer using in whole or in part the supplies, services, or chattels sold to the purchaser.
- Seller guarantees the buyer will derive income from the business opportunity that exceeds the price they paid for the business opportunity. Or the seller will refund the price paid for the business opportunity if the buyer is unsatisfied with the business opportunity and pays to the seller an initial, required consideration which exceeds two hundred dollars (\$200).
- Seller will provide a sales or marketing program that enables the buyer to derive income from the business opportunity that exceeds the price paid for the business opportunity. (Does not apply to programs made in conjunction with licensing of federally registered trademark or federally registered service mark, or when buyer pays less than \$200)

**NOTE:** A business opportunity is not the sale of an on-going business when the owner of the business sells and intends to sell only that one business.

### What does the Business Opportunity Sales Office do?

The Business Opportunity Sales Office is responsible for the administration of the North Carolina [Article 19, Chapter 66 NC General Statutes](#).

These regulations ensure that potential buyers are protected from fraudulent activities and can make informed decisions about their purchase of a business opportunity. Sellers must provide a written disclosure statement to prospective buyers that includes information about the seller's financial history and condition as well as terms and conditions of the offer, the buyer's responsibilities, and the seller's obligations.

The NC Business Opportunity Sales Act requires sellers to register with the NC Secretary of State before selling a business opportunity in North Carolina. The Business Opportunity Sales Office handles the registration of these sellers.

## What statutes govern business opportunity sales in North Carolina?

[Chapter 66 - Article 19 \(ncleg.net\)](#) regulates business opportunity sales in North Carolina.

## What are examples of Business Opportunity Sales violations?

- Informing potential buyers of inaccurate or false facts
- Misleading advertising
- Failure to provide complete disclosure statements that outline all relevant information about the business opportunity being offered.

## Where can I find downloadable Business Opportunity Sales forms?

You can find the registration application on our [Forms](#) page.

## Where can I find a list of Business Opportunity Sales in North Carolina?

You can search for Business Opportunity Sales on the [Search](#) page.

## Glossary

**Business opportunity:** A business opportunity (Bus-Op) is the sale or lease of any products, equipment, supplies, or services for the purpose of enabling the purchaser to start a business.

**Business opportunity sales** refer to the market that facilitates the buying and selling of pre-existing businesses or business opportunities, which include turnkey operations, franchises, and distributorships, among others.

**FDD:** The Franchise Disclosure Document is a legal disclosure provided to franchise candidates, outlining 23 disclosures that include information such as fees, the legal relationship, history of the company, and more.

**Seller** is an individual or entity who offers a business opportunity for sale or lease.

**Surety bond:** is a type of insurance contract required in North Carolina for anyone offering or selling business opportunities. It's a form of protection and deterrent against fraudulent behavior. A surety bond is an agreement between three parties: seller (principal), buyer (obligee), and the surety company. This bond guarantees that the seller will comply with applicable laws and regulations governing the sale of business opportunities in North Carolina. Bond amounts typically range from \$10,000 to \$25,000. For details, see [The Consumer's Guide to Surety Bonds](#).