

ALABAMA STATE BOARD OF MEDICAL EXAMINERS
Office of the General Counsel

January 24, 1994

Dear :

At its recent meeting the State Board of Medical Examiners considered your correspondence of November 16, 1998 concerning the formation of a limited liability company or a limited liability partnership by a physician. After consideration, the Board directed that the following responses be provided to the questions that you posed:

Hypothetical No. 1

Can a licensed professional of the Alabama Medical Association (physician) form a limited liability company or a limited liability partnership with a non licensed, non professional individual and have that LLC or LLP provide, among its services to the public, both medical services as well as other consulting services which do not require a medical license or certification, i.e., creation of exercise programs, consulting regarding physical fitness, strength training, etc.?

RESPONSE:

It is the opinion of the Board that your question must be answered in the negative. Ala. Code §10-12-45(f) states that a limited liability company organized to render professional services may render only one specific type of professional services, and services ancillary to them, and may not engage in any business other than rendering the professional services which it was organized to render and services ancillary to them. In addition that section incorporates the restrictions imposed upon professional corporations under the Revised Alabama Professional Corporation Act, §§10-4-380 through 10-4-404. Under the definitions of §10-4-382 a qualified person is one who is licensed to; render a professional service. The shareholders of a professional corporation must be qualified persons. Ala. Code §10-8A-1010(f) in the Limited Liability Partnership Act establishes an identical requirement for limited liability partnerships formed to render professional services.

Hypothetical No. 2

Can a licensed professional of the Alabama Medical Association (physician) form a limited liability company or a limited liability partnership with a licensed individual such as an athletic trainer or occupational therapist? The LLC or LLP would provide medical and non medical services to the public.

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RESPONSE:

It is the opinion of the Board that this question must also be answered in the negative. See Ala. Code §10-12-45 (Limited Liability Company Act) and §10-8A-1010 (Limited Liability Partnership Act).

I trust that this information is responsive to your request.

Sincerely,
ALABAMA BOARD OF MEDICAL EXAMINERS

/s/ Wendell R. Morgan

Wendell R. Morgan
Associate General Counsel

WRM:skf

cc: Patricia E. Shaner, Esquire
General Counsel