



Roy Cooper North Carolina Attorney General

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Attorney General and Secretary of State bust bogus business fee scheme

Corporate Services, Inc. barred from targeting NC businesses with misleading mailings

Raleigh: A California company is under court order to stop sending bogus mailings to North Carolina businesses claiming that they must pay for violating state laws on filing corporate minutes, Attorney General Roy Cooper and Secretary of State Elaine Marshall announced today.

“North Carolina businesses are working hard in a tough economy, and they don’t need to be bullied into paying phony fees,” said Cooper. “Posing as a government agency and trying to scare money out of business owners is no way to do business.”

“Sadly, this looks like another kind of scare tactic marketing—deceptive mailings to honest business people implying their business is about to be in trouble with government regulators, unless some fee is paid immediately,” Marshall said. “The best advice I can give is if you have any question at all about your company’s standing with us, then call or write us directly. Do not be swayed by third-party pitches demanding your money.”

On Thursday afternoon, Wake County Superior Court Judge Donald Stephens granted a temporary restraining order to stop Corporate Services, Inc., Compliance Services and owner Selwyn J. Monarch from misleading North Carolina businesses. The defendants are temporarily barred from sending mailings to and collecting money from any North Carolina business. Cooper and Marshall are also seeking a court order to permanently stop the defendants’ deceptive practices and win civil penalties from the company.

In a complaint filed this week, Cooper and Marshall contend that Corporate Services sent letters to North Carolina businesses claiming they had failed to comply with state laws on taking and filing corporate minutes. The mailings gave the impression that they were sent by a state agency and used a post office box in downtown Raleigh as their return address. The mailings directed the businesses to pay \$125 and provide information on their corporate minutes by a certain date. Corporate Services referenced laws in Chapter 55 of the North Carolina General Statutes which are enforced by the North Carolina Secretary of State.

The Secretary of State’s Office does not issue letters like the ones sent by Corporate Services, nor does the agency collect fees from corporations for failing to keep or file corporate minutes.

Dozens of businesses across North Carolina have complained about the misleading mailings. Corporate Services targeted businesses across the country and has also been banned in other states, most recently Texas.

Anyone wishing to check on the status of their corporation, limited liability company, or other business entity registered at the North Carolina Secretary of State's Office can go to www.sosnc.com or call the Corporations Division at 919-807-2225 or toll-free at 1-888-246-7636.

Businesses or consumers that get questionable letters demanding fees that claim to come from government agencies are encouraged to contact the Attorney General's Consumer Protection Division at 1-877-5-NO-SCAM toll-free within North Carolina or file a consumer complaint at www.ncdoj.gov.

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