

§ 1-507.37. Termination of receiverships; final report.

(a) Termination of Receivership. – The court may discharge a receiver and terminate the receivership by order entered in the proceeding if the court finds that the appointment of the receiver was improvident or that the circumstances no longer warrant continuation of the receivership and upon approval by the court. In the case of a receivership of an individual business debtor, the court shall discharge a receiver and terminate the receivership if the court finds, after notice and hearing, that the individual did not qualify to be a debtor under this Article because the individual was not an individual business debtor on the date of the filing of the pleading seeking the appointment of the receiver. If the court finds that the appointment of the receiver was sought wrongfully or in bad faith, the court may assess against the person that sought the receiver's appointment: (i) all of the fees and expenses of the receivership, including reasonable attorneys' fees and costs and (ii) actual damages caused by the appointment, including reasonable attorneys' fees and costs.

(b) Final Report and Discharge of Receiver. – Upon distribution or disposition of all receivership property, or the completion of the receiver's duties, the receiver shall file a final report and shall request that the court approve the final report and discharge the receiver.

(c) Contents of Final Report. – The final report, which may incorporate by reference interim reports, shall include, in addition to any matters required by the court in the receivership all of the following:

- (1) A description of the activities of the receiver in the conduct of the receivership.
- (2) A schedule of all receivership property at the commencement of the receivership and any receivership property received during the receivership.
- (3) A list of expenditures, including all payments to professionals retained by the receiver.
- (4) A list of any unpaid expenses incurred during the receivership.
- (5) A list of all dispositions of receivership property.
- (6) A list of all distributions made or proposed to be made from the receivership for creditor claims.
- (7) If not done separately, a motion or application for approval of the payment of fees and expenses of the receiver.
- (8) Any other information required by the court.

(d) Notice of Final Report. – The receiver shall give notice of the filing of the final report and request for discharge to all persons on the most current master service list. If there is no objection within 14 days of the mailing of the notice, the court may enter an order approving the final report and discharging the receiver without the necessity of a hearing.

(e) Effect of Discharge of Receiver. – A discharge under subsection (b) of this section removes all authority of the receiver, excuses the receiver from further performance of any duties, and cancels any lis pendens recorded by the receiver.

(f) Discharge and Return of Bond. – Unless otherwise provided in the order discharging the receiver, any surety bond posted by the receiver pursuant to G.S. 1-507.26 shall be discharged and the clerk is authorized to return to the receiver any cash bond deposited with the clerk. (2020-75, s. 1.)