



CHAPTER 1
ARTICLE 38A - NORTH CAROLINA COMMERCIAL RECEIVERSHIP ACT

N.C.G.S. § 1-507.40.

Turnover of receivership property.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 06:16 UTC	SOURCE FINGERPRINT d85a912e63487428f7499ba6 - 0d3ce0cd2b8b3a5c3ad5ef35 - 25496e2e69f56470
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- § 1-507.40(a)

Demand by Receiver. - Except as expressly provided in this section, and unless otherwise ordered by the court, upon demand by a receiver: (i) subject to subsection (b) of this section, any person shall turn over to the receiver any receivership property that is within the possession, custody, or control of that person and (ii) any person that owes a debt that is receivership property and is matured or payable on demand or on order shall pay the debt to or on the order of the receiver, except to the extent that the debt is subject to setoff or recoupment.
- § 1-507.40(b)

Adequate Protection. - If a creditor has possession, custody, or control of receivership property and the validity, perfection, or priority of the creditor's lien on or interest in the property depends on the creditor's possession, custody, or control, the creditor may retain possession, custody, or control until the court orders adequate protection of the creditor's lien.
- § 1-507.40(c)

Turnover Motion by Receiver. - A receiver may seek to compel turnover of receivership property required by clause (i) of subsection (a) of this section by motion in the receivership. If there exists a bona fide dispute with respect to the existence or nature of the receiver's or the debtor's interest in the receivership property, turnover shall be sought by means of an action under G.S. 1-507.38. Unless a bona fide dispute exists about a receiver's right to possession, custody, or control of receivership property, the court may sanction as civil contempt a person's failure to turn over the property when required by this section.
- § 1-507.40(d)

Payment Only to Receiver. - A person that has notice of the appointment of a receiver and owes a debt that is receivership property shall not satisfy the debt by payment to the debtor. (2020-75, s. 1; 2021-93, s. 6.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 1-507.38	(c)	"by means of an action under"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 1-507.40 (2026).

PINPOINT

N.C. Gen. Stat. § 1-507.40(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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