

§ 1-507.42. Stays.

(a) Control of Property. – All receivership property shall be under the control and supervision of the court appointing the receiver.

(b) Stay by Court Order. – In addition to any stay provided in this section, the court may order a stay or stays to protect receivership property and to facilitate the administration of the receivership.

(c) Automatic Stay. – Except as otherwise set forth in subsection (f) of this section or ordered by the court, the entry of an order appointing a receiver shall operate as a stay, applicable to all persons, of an act, action, or proceeding: (i) to obtain possession of receivership property, or to interfere with or exercise control over receivership property, or enforce a judgment against receivership property, other than the commencement or continuation of a judicial, administrative, or other action or proceeding, including the issuance or use of process, to enforce any lien having priority over the rights of the receiver in receivership property and (ii) any act to create or perfect any lien against receivership property, except by exercise of a right of setoff, to the extent that the lien secures a claim that arose before the time of appointment.

(d) Limited Additional Automatic Stay in General Receiverships. – Except as otherwise ordered by the court, in addition to the stay provided in subsection (c) of this section, the entry of an order appointing a general receiver shall operate as a stay, applicable to all persons, of: (i) the commencement or continuation of a judicial, administrative, or other action or proceeding, including the issuance or use of process, against the debtor or the receiver that was or could have been commenced before the time of appointment, or to recover a claim against the debtor that arose before the time of appointment and (ii) the commencement or continuation of a judicial, administrative, or other action or proceeding, including the issuance or use of process, to enforce any lien having priority over the rights of the receiver in receivership property.

Stays obtained for the acts specified in this subsection shall expire 60 days after the time of appointment unless, before the expiration of the 60-day period, the receiver or other party in interest files a motion seeking an order of the court extending the stay and before the expiration of an additional 30 days following the 60-day period, the court orders the stay extended.

(e) Modification of Stay. – The court may modify for cause any stay provided in this section upon the motion of any party in interest affected by the stay.

(f) Inapplicability of Stay. – The entry of an order appointing a receiver does not operate as a stay of any of the following:

- (1) The commencement or continuation of a criminal proceeding against the debtor.
- (2) The commencement or continuation of an action or proceeding by a governmental unit to enforce its police or regulatory power.
- (3) The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce its police or regulatory power, or with respect to any licensure of the debtor.
- (4) The establishment by a governmental unit of any tax liability and any appeal thereof.
- (5) The commencement or continuation of an action or proceeding to establish paternity, to establish or modify an order for alimony, maintenance, or support, or to collect alimony, maintenance, or support under any order of a court.
- (6) The exercise of a right of setoff.
- (7) Any act to maintain or continue the perfection of a lien on, or otherwise preserve or protect rights in, receivership property, but only to the extent that the act was necessary to continue the perfection of the lien or to preserve or protect the lien or other rights as they existed as of the time of the appointment.

If the act would require seizure of receivership property or commencement of an action prohibited by a stay, the continued perfection shall instead be accomplished by filing a notice in the court before which the receivership is pending and by serving the notice upon the receiver and receiver's attorney, if any, within the time fixed by law for seizure or commencement of the action.

- (8) The commencement of a bankruptcy case under federal bankruptcy laws.
- (9) Any other exception as provided in United States Code, Title 11, § 362(b), as to the automatic stay in federal bankruptcy cases in effect from time to time.
- (g) Action Voidable. – The court may void an act that violates a stay under this section.
- (h) Enforcement. – If a person knowingly violates a stay under this section, the court may award actual damages caused by the violation, reasonable attorneys' fees, and costs and may sanction the violation as civil contempt. (2020-75, s. 1; 2021-93, s. 7.)