

Chapter 75D.

Racketeer Influenced and Corrupt Organizations.

§ 75D-1. Short title.

This Chapter shall be known and may be cited as the North Carolina Racketeer Influenced and Corrupt Organizations Act (RICO). (1985 (Reg. Sess., 1986), c. 999, s. 1.)

§ 75D-2. Findings and intent of General Assembly.

(a) The General Assembly finds that a severe problem is posed in this State by the increasing organization among certain unlawful elements and the increasing extent to which organized unlawful activities and funds acquired as a result of organized unlawful activity are being directed to and against the legitimate economy of the State.

(b) The General Assembly declares that the purpose and intent of this Chapter is: to deter organized unlawful activity by imposing civil equitable sanctions against this subversion of the economy by organized unlawful elements; to prevent the unjust enrichment of those engaged in organized unlawful activity; to restore the general economy of the State all of the proceeds, money, profits, and property, both real and personal of every kind and description which is owned, used or acquired through organized unlawful activity by any person or association of persons whether natural, incorporated or unincorporated in this State; and to provide compensation to private persons injured by organized unlawful activity. It is not the intent of the General Assembly to in any way interfere with the attorney-client relationship.

(c) It is not the intent of the General Assembly that this Chapter apply to isolated and unrelated incidents of unlawful conduct but only to an interrelated pattern of organized unlawful activity, the purpose or effect of which is to derive pecuniary gain. Further, it is not the intent of the General Assembly that legitimate business organizations doing business in this State, having no connection to, or any relationship or involvement with organized unlawful elements, groups or activities be subject to suit under the provisions of this Chapter. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-3. Definitions.

As used in this Chapter, the term:

- (a) "Enterprise" means any person, sole proprietorship, partnership, corporation, business trust, union chartered under the laws of this State, or other legal entity; or any unchartered union, association, or group of individuals associated in fact although not a legal entity; and it includes illicit as well as licit enterprises and governmental as well as other entities.
- (b) "Pattern of racketeering activity" means engaging in at least two incidents of racketeering activity that have the same or similar purposes, results, accomplices, victims, or methods of commission or otherwise are interrelated by distinguishing characteristics and are not isolated and unrelated incidents, provided at least one of such incidents occurred after October 1, 1986, and that at least one other of such incidents occurred within a four-year period of time of the other, excluding any periods of imprisonment, after the commission of a prior incident of racketeering activity.
- (c) (1) "Racketeering activity" means to commit, to attempt to commit, or to solicit, coerce, or intimidate another person to commit an act or acts which would be chargeable by indictment if such act or acts were

accompanied by the necessary mens rea or criminal intent under the following laws of this State:

- a. Article 5 of Chapter 90 of the General Statutes of North Carolina relating to controlled substances and counterfeit controlled substances;
 - b. Chapter 14 of the General Statutes of North Carolina except Articles 9, 22A, 38, 40, 43, 46, 47, 59 thereof; and further excepting G.S. Sections 14-78.1, 14-82, 14-86, 14-145, 14-146, 14-147, 14-177, 14-178, 14-179, 14-183, 14-184, 14-186, 14-190.9, 14-195, 14-197, 14-201, 14-202, 14-247, 14-248, 14-313 thereof.
 - c. Any conduct involved in a "money laundering" activity; and
- (2) "Racketeering activity" also includes the description in Title 18, United States Code, Section 1961(1).
- (d) "Documentary material" means any book, paper, document, writing, drawing, graph, chart, photograph, phonocord, magnetic tape, computer printout, other data compilation from which information can be obtained or from which information can be translated into useable form, or other tangible item.
- (e) "RICO lien notice" means the notice described in G.S. 75D-13.
- (f) "Attorney General" means the Attorney General of North Carolina or any employee of the Department of Justice designated by him in writing. Any district attorney of this State, with his consent, may be designated in writing by the Attorney General to enforce the provisions of this Chapter.
- (g) (1) "Beneficial interest" means either of the following:
- a. The interest of a person as a beneficiary under any other trust arrangement pursuant to which a trustee holds legal or record title to real property for the benefit of such person; or
 - b. The interest of a person under any other form of express fiduciary arrangement pursuant to which any other person holds legal or record title to real property for the benefit of such person.
- (2) "Beneficial interest" does not include the interest of a stockholder in a corporation or the interest of a partner in either a general partnership or limited partnership. A beneficial interest shall be deemed to be located where the real property owned by the trustee is located.
- (h) "Real property" means any real property situated in this State or any interest in such real property, including, but not limited to, any lease of or mortgage upon such real property.
- (i) (1) "Trustee" means either of the following:
- a. Any person who holds legal or record title to real property for which any other person has a beneficial interest; or
 - b. Any successor trustee or trustees to any of the foregoing persons.
- (2) "Trustee" does not include the following:
- a. Any person appointed or acting as a personal representative under Chapter 35A of the General Statutes relating to guardian

and ward, or under Chapter 28A of the General Statutes relating to the administration of estates; or

- b. Any person appointed or acting as a trustee of any testamentary trust or as trustee of any indenture of trust under which any bonds are to be issued.
- (j) "Criminal proceeding" means any criminal action commenced by the State for a violation of any provision of those criminal laws referred to in G.S. 75D-3(c).
- (k) "Civil proceeding" means any civil proceeding commenced by the Attorney General or an injured person under any provision of this Chapter. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1987, ch. 550, s. 22; 1989, c. 489, s. 1.)

§ 75D-4. Prohibited activities.

(a) No person shall:

- (1) Engage in a pattern of racketeering activity or, through a pattern of racketeering activities or through proceeds derived therefrom, acquire or maintain, directly or indirectly, any interest in or control of any enterprise, real property, or personal property of any nature, including money; or
- (2) Conduct or participate in, directly or indirectly, any enterprise through a pattern of racketeering activity whether indirectly, or employed by or associated with such enterprise; or
- (3) Conspire with another or attempt to violate any of the provisions of subdivision (1) or (2) of this subsection.

(b) Violation of this section is inequitable and constitutes a civil offense only and is not a crime, therefore a mens rea or criminal intent is not an essential element of any of the civil offenses set forth in this section. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-5. RICO civil forfeiture proceedings.

(a) All property of every kind used or intended for use in the course of, derived from, or realized through a racketeering activity or pattern of racketeering activity is subject to forfeiture to the State. Forfeiture shall be had by a civil procedure known as a RICO forfeiture proceeding.

(b) A RICO forfeiture proceeding shall be governed by Chapter 1A of the General Statutes of North Carolina except to the extent that special rules of procedure are stated in this Chapter.

(c) A RICO forfeiture proceeding shall be an in rem proceeding against the property.

(d) A RICO forfeiture proceeding shall be instituted by complaint and prosecuted only by the Attorney General of North Carolina or his designated representative. The proceeding may be commenced and a final judgment rendered thereon before or after seizure of the property and before or after any criminal conviction of any person for violation of those laws set forth in G.S. 75D-3(c).

(e) If the complaint is filed before seizure, it shall state what property is sought to be forfeited, that the property is within the jurisdiction of the court, the grounds for forfeiture, and the names of all persons known to have or claim an interest in the property. The court shall determine ex parte whether there is reasonable ground to believe that the property is subject to forfeiture and, if the State so alleges, whether notice to those persons having or claiming an interest in the property prior to seizure would cause the loss or destruction of the property. If the court finds:

- (1) That reasonable ground does not exist to believe that the property is subject to forfeiture, it shall dismiss the complaint; or

- (2) That reasonable ground does exist to believe the property is subject to forfeiture but there is not reasonable ground to believe that prior notice would result in loss or destruction, it shall order service on all persons known to have or claim an interest in the property prior to a further hearing on whether a writ of seizure should issue; or
- (3) That there is reasonable ground to believe that the property is subject to forfeiture and to believe that prior notice would cause loss or destruction, it shall without any further hearing or notice, issue a writ of seizure directing the sheriff of or any other law enforcement officer in the county where the property is found to seize it.

(f) Seizure may be effected by a law enforcement officer authorized to enforce the penal laws of this State prior to the filing of the complaint and without a writ of seizure if the seizure is incident to a lawful arrest, search, or inspection and the officer has probable cause to believe the property is subject to forfeiture and will be lost or destroyed if not seized. Within 24 hours of the time of seizure, the seizure shall be reported by the officer to the district attorney of the prosecutorial district as defined in G.S. 7A-60 in which the seizure is effected who shall immediately report such seizure to the Attorney General. The Attorney General shall, within 30 days after receiving notice of seizure, examine the evidence surrounding such seizure, and if he believes reasonable ground exists for forfeiture under this Chapter, shall file a complaint for forfeiture. The complaint shall state, in addition to the information required in subsection (e) of this section, the date and place of seizure.

(g) After the complaint is filed or the seizure effected, whichever is later, every person known to have or claim an interest in the property, or in the property or enterprise of which the subject property is a part or represents any interest, shall be served, if not previously served, with a copy of the complaint and a notice of seizure in the manner provided by Chapter 1A of the General Statutes of North Carolina. Service by publication may be ordered upon any party whose whereabouts cannot be determined with reasonable diligence within 30 days of filing of the complaint.

- (h)
- (1) Any person claiming an interest in the property, may become a party to the action at any time prior to judgment whether named in the complaint or not. Any party claiming a substantial interest in the property, upon motion may be allowed by the court to take possession of the property upon posting bond with good and sufficient security in double the amount of the property's value conditioned to pay the value of any interest in the property found to be subject to forfeiture or the value of any interest of another not subject to forfeiture.
 - (2) The court, upon such terms and conditions as it may prescribe, may order that the property be sold by an innocent party who holds a lien on or security interest in the property at anytime during the proceedings. Any proceeds from such sale over and above the amount necessary to satisfy the lien or security interest shall be paid into court pending final judgment in the forfeiture proceeding. No such sale shall be ordered, however, unless the obligation upon which the lien or security interest is based is in default.
 - (3) Pending final judgment in the forfeiture proceeding, the court may make any other disposition of the property necessary to protect it or in the interest of substantial justice, and which adequately protects the interests of innocent parties.

(i) The interest of an innocent party in the property shall not be subject to forfeiture. An innocent party is one who did not have actual or constructive knowledge that the property was subject to forfeiture. An attorney who is paid a fee for representing any person subject to this act, shall be rebuttably presumed to be an innocent party as to that fee transaction.

(j) Subject to the requirement of protecting the interest of all innocent parties, the court may, after judgment of forfeiture, make any of the following orders for disposition of the property:

- (1) Destruction of the property or contraband, the possession of, or use of, which is illegal;
- (2) Retention for official use by a law enforcement agency, the State or any political subdivision thereof. When such agency or political subdivision no longer has use for such property, it shall be disposed of by judicial sale as provided in Article 29A of Chapter 1 of the General Statutes of North Carolina, and the proceeds shall be paid to the State Treasurer;
- (3) Transfer to the Department of Natural and Cultural Resources of property useful for historical or instructional purposes;
- (4) Retention of the property by any innocent party having an interest therein, including the right to restrict sale of an interest to outsiders, such as a right of first refusal, upon payment or approval of a plan for payment into court of the value of any forfeited interest in the property. The plan may include, in the case of an innocent party who holds an interest in the property through an estate by the entirety, or an undivided interest in the property, or a lien on or security interest in the property, the sale of the property by the innocent party under such terms and conditions as may be prescribed by the court and the payment into court of any proceeds from such sale over and above the amount necessary to satisfy the divided ownership value of the innocent party's interest or the lien or security interest. Proceeds paid into the court must then be paid to the State Treasurer;
- (5) Judicial sale of the property as provided in Article 29A of Chapter 1 of the General Statutes of North Carolina, with the proceeds being paid to the State Treasurer;
- (6) Transfer of the property to any innocent party having an interest therein equal to or greater than the value of the property; or
- (7) Any other disposition of the property which is in the interest of substantial justice and adequately protects innocent parties, with any proceeds being paid to the State Treasurer.

(k) In addition to the provisions of subsections (c) through (g) relating to in rem actions, the State may bring an in personam action for the forfeiture of any property subject to forfeiture under subsection (a) of this section.

(l) Upon the entry of a final civil judgment of forfeiture in favor of the State:

- (1) The title of the State to the forfeited property shall:
 - a. In the case of real property or beneficial interest, relate back to the date of filing of the RICO lien notice in the official record of the county where the real property or beneficial interest is located and, if no RICO lien notice is filed, then to the date of the filing of any notice of lis pendens in the official records of the county where the real property or beneficial interest is located and, if no RICO lien notice or notice of lis

pendens is so filed, then to the date of recording of the final judgment of forfeiture in the official records of the county where the real property or beneficial interest is located; and

- b. In the case of personal property, relate back to the date the personal property was seized pursuant to the provisions of this Chapter.
- (2) If property subject to forfeiture is conveyed, alienated, disposed of, or otherwise rendered unavailable for forfeiture after the filing of a RICO lien notice or after the filing of a RICO civil proceeding whichever is earlier, the Attorney General may, on behalf of the State, institute in action in an appropriate court against the person named in the RICO lien notice or the defendant in the civil proceeding and the court shall enter final judgment against the person named in the RICO lien notice or the defendant in the civil proceeding in an amount equal to the fair market value of the property, together with investigative costs and attorney's fees incurred by the Attorney General in the action. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1987 (Reg. Sess., 1988), c. 1037, ss. 98, 99; 1989, c. 489, s. 1; 2015-241, s. 14.30(s).)

§ 75D-6. Power to compel examination.

Whenever the Attorney General has reason to believe that any person or enterprise may have information or may be in possession, custody or control of any documentary materials relevant to an activity prohibited under G.S. 75D-4, he may issue in writing, and cause to be served upon such person or upon the appropriate officers, agents, and employees of any such enterprise (other than one employed as an attorney by such person or enterprise), a notice requiring such person or enterprise to submit themselves to examination by him, and produce for his inspection any documentary material relevant to an investigation of activities prohibited by G.S. 75D-4.

The notice shall be served either personally or by registered or certified mail return receipt requested. The notice shall specify the general purpose of the examination, a general description of the documentary material to be produced, and the time and place where such examination will take place. The witness shall be placed under oath or affirmation to testify truthfully. The examination shall be recorded and the witness has the right to a copy upon payment of its cost. The witness has the right to have legal counsel present during the examination.

The Attorney General shall also have the right to apply to any judge of the superior court division, after five days' prior notice of such application served in the same manner as the notice of examination described in this section, for an order requiring such person or enterprise to appear and subject himself or itself to examination, and disobedience of such order shall constitute contempt, and shall be punishable as in other cases of disobedience of a proper order of such court.

No such demand or order of a court shall contain any requirement which would be held to be unreasonable if contained in a civil discovery request or court order issued pursuant to G.S. 1A-1, Rules of Civil Procedure 26-36. Any person or enterprise upon whom a demand is served and who objects to complying with such demand in whole or in part, shall, within five days of service of the demand, serve a written reply upon the Attorney General specifying the nature of the objection.

Such examination shall be held in camera and no one, except the person or enterprise being examined, may release information obtained from the examination prior to a proceeding being instituted under this Chapter by the Attorney General. Such information may be used in any proceeding instituted under this Chapter by the Attorney General. Any person violating the provisions of this paragraph shall be guilty of a Class 1 misdemeanor. If such offending person is a

public officer or employee, he shall also be dismissed from such office or employment and shall not hold any public office or employment in this State for a period of five years after conviction. This paragraph does not prohibit disclosure of this information to other employees of the Department of Justice, or to district attorneys designated in writing by the Attorney General as authorized to receive this information. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1; 1993, c. 539, s. 569; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 75D-7. False testimony.

False testimony as to any material fact by any person examined under the provisions of this Chapter shall constitute perjury and a conviction shall be punishable as in other cases of perjury as a Class F felony. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1993, c. 539, s. 1286; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 75D-8. Available RICO civil remedies.

(a) As part of a final judgment of forfeiture, any judge of the superior court may, after giving reasonable notice to potential innocent claimants, enjoin violations of G.S. 75D-4, by issuing appropriate orders and judgments:

- (1) Ordering any defendant to divest himself of any interest in any enterprise, real property, or personal property including property held by the entirety. Where property is held by the entirety and one of the spouses is an innocent person as defined in G.S. 75D-5(i), upon entry of a final judgment of forfeiture of entirety property, the judgment operates, to convert the entirety to a tenancy in common, and only the one-half undivided interest of the offending spouse shall be forfeited according to the provisions of this Chapter;
- (2) Imposing reasonable restrictions upon the future activities or investments of any defendant in the same or similar type of endeavor as the enterprise in which he was engaged in violation of G.S. 75D-4;
- (3) Ordering the dissolution or reorganization of any enterprise;
- (4) Ordering the suspension or revocation of any license, permit, or prior approval granted to any enterprise by any agency of the State;
- (5) Ordering the forfeiture of the charter of a corporation organized under the laws of this State or the revocation of a certificate authorizing a foreign corporation to conduct business within this State upon a finding that the board of directors or a managerial agent acting on behalf of the corporation, in conducting affairs of the corporation, has authorized or engaged in conduct in violation of G.S. 75D-4, and that, for the prevention of future unlawful activity, the public interest requires that the charter of the corporation be dissolved or the certificate be revoked;
- (6) Appointment of a receiver pursuant to the provisions of Article 38 of Chapter 1 of the General Statutes of North Carolina, to collect, conserve and dispose of all the proceeds, money, profits and property, both real and personal, subject to the provisions of this Chapter in accordance with the provisions hereof as directed by the final judgment of the superior court having jurisdiction over the parties or subject matter of the action; or
- (7) Any other equitable remedy appropriate to effect complete forfeiture of property subject to forfeiture, or to prevent future violations of this Chapter.

(b) The State through the Attorney General may institute a proceeding under G.S. 75D-5. In such proceeding, relief shall be granted in conformity with the principles that govern the granting of injunctive relief from threatened loss or damage in other civil cases, provided that no showing of special or irreparable damage to the person shall have to be made and provided further that the State shall not be required to execute any bond before or after obtaining temporary restraining orders or preliminary injunctions.

(c) Any innocent person who is injured or damaged in his business or property by reason of any violation of G.S. 75D-4 involving a pattern of racketeering activity shall have a cause of action for three times the actual damages sustained and reasonable attorneys fees. For purposes of this subsection, "pattern of racketeering activity" shall require that at least one act of racketeering activity be an act of racketeering activity other than (i) an act indictable under 18 U.S.C. § 1341 or U.S.C. § 1343, or (ii) an act which is an offense involving fraud in the sale of securities. Any person filing a private action under this subsection must concurrently notify the Attorney General in writing of the commencement of the action. Thereafter, the Attorney General may file a motion for a protective order in the court where the private action is pending and shall be granted a stay of the private action for a reasonable time if the court finds either:

- (1) The bringing of a private action is likely to materially interfere with or impair a public forfeiture action; or
- (2) The public interest is so great as to require the Attorney General to investigate and bring a forfeiture action.

(d) Any injured innocent person shall have a right or claim to forfeited property or to the proceeds derived therefrom superior to any right or claim the State has in the same property or proceeds. To enforce such a claim the injured innocent person must intervene in the forfeiture proceeding prior to its final disposition.

(e) A final conviction in any criminal proceeding for a violation of those laws set forth in G.S. 75D-3(c), shall estop the defendant in any subsequent civil action or proceeding under this Chapter as to all matters proved in the criminal proceeding.

(f) A defendant in an action commenced by the State pursuant to this Chapter whose convictions of two or more criminal offenses of those criminal statutes as set forth in G.S. 75D-3(c) have become final, which offenses have occurred within a four-year period of each other as set forth in G.S. 75D-3(b) shall be deemed to have, per se violated the provisions of G.S. 75D-4(a)(1) or (2) as of the date of the second conviction.

(g) Any party is entitled to a jury trial in any action brought under this Chapter. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-9. Period of limitations as to civil proceedings under this Chapter.

Notwithstanding any other provision of law, a civil action or proceeding under this Chapter may be commenced within five years after the conduct in violation of a provision of this Chapter terminates or the claim for relief accrues, whichever is later. If a civil action is brought by the State for forfeiture or to prevent any violation of the Chapter, then the running of this period of limitations with respect to any innocent person's claim for relief which is based upon any matter complained of in such action by the State, shall be suspended during the pendency of the action by the State and for two years thereafter. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-10. Civil remedies are supplemental and not mutually exclusive.

The application of one civil remedy under this Chapter shall not preclude the application of any other remedy under this Chapter or any other provision of law. Civil remedies under this Chapter are cumulative, supplemental and not exclusive, and are in addition to the fines, penalties and forfeitures set forth in a final judgment of conviction of a violation of the criminal laws of this State as punishment for violation of the penal laws of this State. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-11. Reciprocal agreements with other states.

The Attorney General is authorized to enter into reciprocal agreements with any United States attorney or the attorney general or chief prosecuting attorney of any other state having a civil forfeiture law substantially similar to this Chapter so as to further the purpose of this Chapter. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-12. Venue.

In any forfeiture action brought pursuant to this Chapter, the claim for relief shall be considered to have arisen in any county in which an incident of racketeering occurred or in which an interest or control of an enterprise or real or personal property is acquired or maintained. Venue in any private action shall be as provided in Article 7, Chapter 1, of the General Statutes of North Carolina. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-13. Filing and attachment of RICO lien notice.

(a) Upon the institution of any proceeding under this Chapter, the Attorney General then or at any time during the pendency of the proceeding may file in the official records of any one or more counties a RICO lien notice. No filing fee or other charge shall be required as a condition for filing the RICO lien notice. The clerk of the superior court shall, upon the presentation of a RICO lien notice, immediately record it in the official records.

(b) The RICO lien shall be signed by the Attorney General or his designee or by a designated district attorney. The notice shall be in such form as the Attorney General prescribes and, in addition to a description of the particular property sought to be forfeited, shall set forth the following information:

- (1) If brought in the name of a person, the name of the person against whom the civil proceeding has been brought. In his discretion, the Attorney General may also name in the RICO lien notice any other aliases, names or fictitious names under which the person may be known;
- (2) If known to the Attorney General the present residence and business addresses of the person named in the RICO lien notice and of the other names set forth in the RICO lien notice;
- (3) A reference to the civil proceeding stating that a proceeding under this Chapter has been brought against the person named in the RICO lien notice, the name of the county or counties where the proceeding has been brought, and, if known to the Attorney General at the time of filing the RICO lien notice, the case number of the proceeding;
- (4) A statement that the notice is being filed pursuant to this Chapter; and
- (5) The name and address of the person in the Attorney General's office filing the RICO lien notice and the name of the individual signing the RICO lien notice.

(c) A RICO lien notice shall apply only to one person and, to the extent applicable, any aliases, fictitious names, or other names, including names of corporations, partnerships, or other

entities, to the extent permitted in paragraph (1) of subsection (b) of this section. A separate RICO lien notice shall be filed for any other person against whom the Attorney General desires to file a RICO lien notice under this section.

(d) The Attorney General shall, as soon as practicable after the filing of each RICO lien notice, serve, by any method provided for by G.S. 1A-1, Rule 4, upon the person named in the notice and any other person who holds an interest of record, either a copy of the recorded notice or a copy of the notice with a notation thereon of the county or counties in which the notice has been recorded.

(e) The filing of a RICO lien notice creates, from the time of its filing, a lien in favor of the State on the following property of the person named in the notice and against any other names sets forth in the notice:

- (1) Any real property situated in the county where the notice is filed then or thereafter owned by the person or under any of the names; and
- (2) Any beneficial interest situated in the county where the notice is filed then or thereafter owned by the person or under any of the names.

(f) The lien shall commence and attach as of the time of filing of the RICO lien notice and shall continue thereafter until expiration, termination, or release pursuant to G.S. 75D-14. The lien created in favor of the State shall be superior and prior to the interest of any other person in the real property or beneficial interests if the interest is acquired subsequent to the filing of the notice.

(g) In conjunction with any proceedings pursuant to this Chapter:

- (1) The Attorney General may file without prior court order in any county a lis pendens and, in such case, any person acquiring an interest in the subject real property or beneficial interest subsequent to the filing of lis pendens, shall take the interest subject to the civil proceeding and any subsequent judgment of forfeiture; and
- (2) If a RICO lien notice has been filed, the Attorney General may name as defendants, in addition to the person named in the notice, any persons acquiring an interest in the real property or beneficial interest subsequent to the filing of the notice. If a judgment of forfeiture is entered in the proceeding in favor of the State, the interest of any person in the property that was acquired subsequent to the filing of the notice shall be subject to the notice and judgment of forfeiture.

(h) (1) A trustee upon whom a RICO lien notice or a RICO civil proceeding has been served shall immediately furnish to the Attorney General the following:

- a. The name and addresses, as known to the trustee, of all persons for whose benefit the trustee holds title to the real property; and
- b. If requested by the Attorney General's office, a copy of the trust agreement or other instrument pursuant to which the trustee holds legal or record title to the real property.

(2) Any trustee who fails to comply with the provisions of this subsection shall be removed by court order and a substitute trustee shall be named in lieu of the trustee so removed.

(i) The filing of a RICO lien notice shall not affect the use to which real property or a beneficial interest owned by the person named in the RICO lien notice may be put or in the right of the person to receive any avails, rents, or other proceeds resulting from the use and ownership, but not the sale, of the property until a judgment of forfeiture is entered.

(j) All forfeitures or dispositions under this section shall be made with due provision for the rights of innocent persons. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)

§ 75D-14. Release of lien notice.

The Attorney General filing the RICO lien notice, or the court for good cause shown at anytime, may release in whole or in part any RICO lien notice or may release any specific property or beneficial interest from the RICO lien notice upon such terms and conditions as he may determine. Any release of a RICO lien notice executed by the Attorney General or ordered by the court may be filed in the official records of any county. No charge or fee shall be imposed for the filing of any release of a RICO lien notice. (1985 (Reg. Sess., 1986), c. 999, s. 1; 1989, c. 489, s. 1.)