

STANDING COMMITTEE ON RULES OF PRACTICE AND PROCEDURE

NOTICE OF PROPOSED RULES CHANGES

The Rules Committee has submitted its Two Hundred and Third Report to the Court of Appeals, recommending rescission of current Title 13 and replacement of it by revised Title 13 (Receivers and Assignees) and transmitting thereby proposed revised Title 13 and proposed new Title 14, Chapter 600 (In Rem Foreclosure of Local Government Tax Liens), proposed amendments to current Rules 1-303, 1-304, 2-633, 2-634, 3-633, 3-634, 5-603, 7-206.1, 8-411, 8-502, 8-504, 8-521, 8-523, 14-102, 14-202, 14-205, 14-206, 14-207, 14-207.1, 14-208.1, 14-209, 14-210, 14-215, 18-203.11, 18-437, and 18-442, and the proposed rescission of Rule 16-703.

The Committee's Two Hundred and Third Report and the proposed Rules changes are set forth below.

Interested persons are asked to consider the Committee's Report and proposed Rules changes and to forward on or before March 30, 2020 any written comments they may wish to make to:

Sandra F. Haines, Esquire  
Reporter, Rules Committee  
Judiciary A-POD  
580 Taylor Avenue  
Annapolis, Maryland 21401

Suzanne Johnson  
Clerk  
Court of Appeals of Maryland

February 28, 2020

The Honorable Mary Ellen Barbera,  
Chief Judge

The Honorable Robert N. McDonald

The Honorable Shirley M. Watts

The Honorable Michele D. Hotten

The Honorable Joseph M. Getty

The Honorable Brynja M. Booth

The Honorable Jonathan Biran,

Judges

The Court of Appeals of Maryland

Robert C. Murphy Courts of Appeal Building

Annapolis, Maryland 21401

Your Honors:

The Rules Committee submits this, its Two Hundred Third Report, and recommends that the Court adopt the new Rules and amendments to and the repeal of existing Rules transmitted with this Report. The Report consists of ten categories of proposed changes.

**Category One** consists of the repeal of the current Rules in Title 13 of the Maryland Rules (Receivers and Assignees, Rules 13-101 through 13-703) and their replacement with new Rules 13-101 through 13-704. This comprehensive rewriting is necessary to implement 2019 Laws of Maryland, Chapter 284, which enacted a new Chapter 24 to the Commercial Law Article dealing with commercial receiverships and assignments for the benefit of creditors. A copy of the new statute is attached as **Appendix 1**. A marked version of the proposed new Rules showing changes from the current Rules through underlining and strikeouts is attached as **Appendix 2**.

The current Rules cover kinds of receiverships not included in the new statute, and the proposed new Rules continue to apply to those receiverships. Excluded from both the statute and the Rules in Title 13 is a class of receiverships handled by the District Court pursuant to Rule 3-722, those being receiverships to abate a nuisance or to enforce State or local codes. See proposed Rule 13-102 (b)(1). Chapter 284 adds a new provision, borrowed from the Federal Bankruptcy Code, that provides an automatic stay of pending actions against the debtor during a receivership. In proposed Rule 13-201, sections (d) and (e) require the receiver to notify the clerk and the parties in a

pending case of the stay and of its eventual termination. Finally, the Committee was advised that receiverships occasionally arise out of pending or contemplated foreclosure proceedings. Proposed Rule 13-102 (b)(2) and the Committee Note that follows provide for the coordination of those proceedings.

**Category Two** consists of a new Chapter 600 to Title 14 (Rules 14-601 through 14-606) to implement 2019 Laws of Maryland, Chapter 276, which creates a new action for an *in rem* foreclosure of local government tax liens. A copy of the new statute is attached as **Appendix 3**. It provides a new option that local governments may use for dealing with the collection of delinquent taxes on residential property that (1) is vacant, unsafe, or unfit for habitation or other authorized use, and (2) is worth less than the tax liens on it. The current Rules in Chapter 500 of Title 14 will remain in place for tax sales on property not subject to the new statute or that the local government chooses to use in lieu of the new statute. A critical difference between the two procedures is that, under Chapter 276, rather than the property being sold at auction, fee simple or absolute title is transferred to the local government.

**Category Three** consists of housekeeping amendments to Rules 14-102, 14-202, 14-205, 14-206, 14-207, 14-207.1, 14-208.1, 14-209, 14-210, and 14-215, either to conform the Rules to statutory changes to the Real Property Article or because they are obsolete. Most of the changes are required by Code changes made by 2019 Laws of Maryland, Chapter 93. A Table showing former and current section numbers of the Real Property Article is attached as **Appendix 4**.

**Category Four** contains amendments to Rules 1-303 and 5-603 dealing with oaths. The Committee was asked to consider developing a special form of oath for children who may not understand fully the meaning of oral or written oaths prescribed by Rules 1-303 and 1-304. The Committee was unable to come up with a "one size fits all" alternative, either for children as a group or for adults who may have impaired cognitive ability. Ultimately, the issue is likely to be whether the witness is competent to testify rather than the form of oath, but, through a Committee Note added to Rule 5-603, the Committee proposes to give courts some leeway in fashioning an acceptable oath based on the circumstances.

Also included in **Category Four** are proposed amendments to Rule 1-304 (Form of Affidavit) recommended by the Maryland Judicial Council's Court Access and Community Relations

Committee as part of its effort to make Rules and Forms more understandable to lay people not familiar with legal jargon.

**Category Five** consists of amendments to Rules 2-633 and 3-633 and new Rules 2-634 and 3-634, dealing with discovery procedures for the enforcement of civil judgments. Current Rules 2-633 and 3-633 permit a judgment creditor to obtain discovery of the debtor's income and assets (1) through interrogatories, depositions, or request for documents, or (2) by obtaining a court order requiring the defendant to appear in person before a judge or examiner for a face-to-face oral examination. The Rules provide that, if the debtor fails to appear when ordered to do so, the court may issue a body attachment and hold the debtor in contempt. Although the Committee was advised that, in the District Court, the practice when there is a failure to appear is to issue an order for the defendant to appear in court and show cause order why he or she should not be held in contempt for failing to comply with the first order to appear, we also were advised that the Circuit Courts, or some of them, were issuing body attachments rather than show cause orders.

The Committee was advised of instances where the debtor, in the latter situation, had not been personally served with the order to appear, failed to appear, was arrested on the body attachment, and remained in jail for several days awaiting an appearance before the judge, and the Committee was asked to propose a Rule that would prohibit body attachments for that purpose. The Committee denied that request but did recommend in its Two Hundredth Report to the Court that (1) an order to appear warn the defendant of the prospect of a body attachment upon a failure to appear but (2) no body attachment issue absent a determination by the court that the order to appear was personally delivered to the defendant or sent by certified mail, restricted delivery, or, as shown by a particularized affidavit, that the defendant was evading service. The Court adopted that recommendation, which is now part of Rules 2-633 and 3-633.

In presenting that recommendation, the Committee advised the Court that it was looking into a Florida statute that required the defendant, on pain of contempt, to complete and return a court form that required the disclosure of significant financial information. Completion of the form is intended as a substitute for a face-to-face appearance. After reviewing the Florida statute and form, the Committee rejected that approach because it did not believe that the court should be sending, or receiving back, such a form containing such personal financial information. As an alternative, the Committee proposes that the

clerk, upon entry of a civil judgment for damages, send a notice to the debtor advising that the **creditor** may be sending a form approved by the State Court Administrator, requesting certain financial information and that, if the defendant timely completes the form and returns it **to the creditor**, the defendant would not be required to appear in court or before an examiner for at least a year. That is authorized in proposed Rules 2-634 and 3-634. A form has been drafted by the Forms Committee of the Judicial Council for consideration by the State Court Administrator. It is based on the forms used in Florida and Minnesota. A copy is attached as **Appendix 5**.

**Category Six** consists of an amendment to Rule 7-206.1 recommended by General Counsel to the Workers' Compensation Commission. It provides that, in a *de novo* judicial review action from a Commission decision, preparation and transmission of a transcript of the Commission proceeding not be required unless, for good cause, the court orders otherwise. A transcript would be required where the judicial review is on the record before the Commission, which is the more common circumstance.

**Category Seven** consists of the recommended repeal of Rule 16-703, providing for the Maryland Professional Center. The Center has been terminated by Administrative Order of the Court and no longer exists.

**Category Eight** consists of an amendment to Rule 18-203.11 that would permit a District Court Commissioner, upon full disclosure and with the approval of the Chief Judge of the District Court, to serve as a part-time employee of a business entity, provided the employment does not conflict with section (c) of the Rule. This was recommended by the Director of Commissioners and supported by the Chief Judge of the District Court. The impetus for the change was the inability to retain qualified Commissioners because of an inadequate salary structure.

**Category Nine** consists of amendments to Rules 18-437 and 18-442 intended to clarify and make more specific the authority of the Court of Appeals in a judicial discipline case. Language added to subsection (f)(1) of Rule 18-437 permits a disciplinary order to direct the judge to undergo specified evaluations, participate meaningfully in specified therapeutic, educational, or behavior modification programs and to make a written apology to specified persons or groups of persons harmed by the judge's misconduct. That authority is implicit in the current authority to impose any disposition recommended by the Judicial

Disabilities Commission or otherwise permitted by law and has, indeed, been exercised by the Court, but the Committee believes it is helpful to state it more directly.

At the request of the Judicial Disabilities Commission, language is added to subsection (f)(2) of Rule 18-437 to provide that, if the Court suspends a judge, the order should state the duration of the suspension, which may be for a fixed period or indefinite, and whether the suspension is with or without compensation and is subject to any conditions precedent to reinstatement. A new section (h) clarifies that, if, pursuant to section (f), the Court requires that the judge take certain actions, compliance with those directives be monitored in accordance with Rule 18-438.

The amendments to Rule 18-442 clarify the authority of the Court to order an interim suspension when notified by the Judicial Disabilities Commission that the judge has been indicted for a serious crime or was ordered by the Court to take certain actions and willfully violated that order.

**Category Ten** consists of amendments to Rules 8-411, 8-502, 8-504, 8-521, and 8-523 requested by the Court of Special Appeals. They have two objectives. One is to assist self-represented litigants in presenting their issues and argument to the Court, so that the Court can address the merits of those issues. Testimony from Chief Judge Fader and the Clerk of the Court, Gregory Hilton, reveals that often self-represented litigants are unable to comply with all of the somewhat technical requirements dealing with the filing and content of briefs and record extracts, leading eventually to a dismissal of the appeal. The proposed solution is for the Court to develop a form and guidelines for self-represented litigants to present their cases through what may be referred to as informal briefing. That is provided for in the proposed amendments to Rule 8-502 (a)(9). It is optional; the litigants are not required to use that procedure. We are advised that the U.S. Court of Appeals for the Fourth Circuit uses a similar approach.

The second objective is to streamline and shorten the scheduling of cases for argument in the Court of Special Appeals. At present, briefing and argument dates (including dates for considering appeals submitted on the briefs) are set months ahead, when the record is complete. Due to postponements that occur during that period, however, which are not infrequent, gaps appear in the argument dockets that cannot be filled by substituting other cases, and a docket that may have contained five cases is reduced to two or three. To deal with

that, the Court proposes that (1) postponements by stipulation of the parties be limited to one, not to exceed 30 days, and (2) argument dates (and dates for consideration on the briefs) not be set until the appellee's brief is filed (or briefing is otherwise complete). Chief Judge Fader indicated that should reduce both the number of "holes" in the argument dockets and reduce substantially the "dead time" between the filing of the appeal and argument. Those changes are reflected in the proposed amendments to Rules 8-502 (b), 8-521 (a)(2), and 8-523.

For the further guidance of the Court and the public, following the proposed new Rules and the proposed amendments to each of the existing Rules is a Reporter's note describing in further detail the reasons for the proposals. We caution that the Reporter's notes are not part of the Rules, have not been debated or approved by the Committee, and are not to be regarded as any kind of official comment or interpretation. They are included solely to assist the Court in understanding some of the reasons for the proposed changes.

Respectfully submitted,

Alan M. Wilner  
Chair

AMW:wlp  
cc: Suzanne C. Johnson, Clerk



MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES

TABLE OF CONTENTS

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-101. DEFINITIONS

Rule 13-102. SCOPE

Rule 13-103. APPLICABILITY OF OTHER RULES

Rule 13-104. COMMENCEMENT OF ACTION

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

Rule 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE, OR  
PROFESSIONAL

Rule 13-107. BOND

Rule 13-108. SERVICE OF PAPERS

CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. NOTICE TO CREDITORS

Rule 13-202. FINANCIAL DOCUMENTS

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER,  
AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

Rule 13-302. AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONAL

Rule 13-303. COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE,  
AND PROFESSIONAL

CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

Rule 13-402. OBJECTIONS TO CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

Rule 13-404. RELIEF FROM STAY

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

Rule 13-502. DISTRIBUTION

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN  
EXECUTORY CONTRACT

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN  
THE ORDINARY COURSE OF BUSINESS

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF  
COMPENSATION

Rule 13-704. TERMINATION OF PROCEEDING

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS  
TABLE OF CONTENTS

Rule 13-101. DEFINITIONS

- (a) Assignee
- (b) Court
- (c) Debtor
- (d) Designated Party
- (e) Equity Holder
- (f) Estate
- (g) Insolvent
- (h) Owner
- (i) Person
- (j) Property
- (k) Receiver
- (l) Receivership Property

Rule 13-102. SCOPE

- (a) Generally
- (b) Exceptions

Rule 13-103. APPLICABILITY OF OTHER RULES

- (a) Generally
- (b) Discovery

Rule 13-104. COMMENCEMENT OF ACTION

- (a) Assignment
- (b) Receivership
- (c) Show Cause Order
- (d) Hearing

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

- (a) Grounds for Appointment
- (b) Order

(c) Modification or Termination of Appointment

Rule 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE, OR PROFESSIONAL

- (a) Receiver or Assignee
- (b) Professionals Generally
- (c) Ineligibility No Bar to Assumption of Jurisdiction

Rule 13-107. BOND

- (a) Bond Requirement
- (b) Amount of Bond
- (c) Motion to Modify Amount of Bond
- (d) Terms of Bond
- (e) Payment of Bond Premium from Estate

Rule 13-108. SERVICE OF PAPERS

- (a) Filing Master Service List
- (b) Master Service List
  - (c) General Requirement
  - (d) Entry of Appearance
  - (e) Notices to Creditors
  - (f) Content of Objection

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-101. DEFINITIONS

In this Title the following definitions apply except as expressly otherwise provided or as necessary implication requires:

(a) Assignee

"Assignee" means a person to whom a debtor has made a general assignment of property in trust for the benefit of creditors.

(b) Court

"Court" means the circuit court in which an assignment for the benefit of creditors or a petition for receivership has been filed.

(c) Debtor

"Debtor" means the "owner" and the "insolvent."

(d) Designated Party

"Designated party" means an officer, director, manager or principal equity holder in the debtor.

(e) Equity Holder

"Equity holder" means a shareholder, partner, or member that owns an interest in the debtor's estate.

(f) Estate

"Estate" means "receivership property" and includes property assigned to an assignee.

(g) Insolvent

"Insolvent" means an assignor in an assignment for the benefit of creditors proceeding or an insolvent for management of whose affairs a receiver has been appointed.

Cross reference: See Code, Commercial Law Article, § 15-101 (b) (2).

(h) Owner

"Owner" means a person for whose property or business a receiver is appointed. An "owner" is not an "equity holder".  
Cross reference: See Code, Commercial Law Article, § 24-101(m).

(i) Person

"Person" has the meaning set forth in Rule 1-202 (t) and includes an individual, an estate, a business, a nonprofit entity, a public corporation, a governmental unit, an instrumentality, and any other legal entity.

Cross reference: See Code, Commercial Law Article, § 24-101(n).

(j) Property

(1) For proceedings under Code, Commercial Law Article,  
Title 24:

(A) "Property" means all of a person's right, title, and interest, both legal and equitable, in real and personal property, tangible and intangible, wherever located and however acquired.

(B) "Property" includes proceeds, products, offspring, rent, and profits of or from the property.

(C) "Property" does not include:

(i) any power that the owner may exercise solely for the benefit of another person; or

(ii) property impressed with a trust, except to the extent that the owner has a residual interest.

Cross reference: See Code, Commercial Law Article, § 24-101(p).

(2) For all other proceedings, "property" has the meaning set forth in Rule 1-202 (x).

(k) Receiver

"Receiver" means a person appointed by the court under Code, Commercial Law Article, § 24-201(a), and subject to the court's authority, to take possession of, manage, and, if authorized by the provisions of Title 24 of the Commercial Law Article or court order, transfer, sell, lease, license, exchange, collect, or otherwise dispose of receivership property.

Cross reference: See Code, Commercial Law Article, § 24-101(q).

(l) Receivership Property

"Receivership property" means property or business of an owner that is described in the order appointing a receiver or a subsequent order, including any products, offspring, profits, and proceeds of the property.

Cross reference: See Code, Commercial Law Article, § 24-101(s).

Source: This Rule is derived in part from former Rule BP1 a, and in part new.

REPORTER'S NOTE

The Rules in Title 13 have undergone an extensive redrafting to implement the Chapter 284, 2019 Laws of Maryland, known as the "Maryland Commercial Receivership Act" ("MCRA"). The MCRA enacted a new Chapter 24 to the Commercial Law Article dealing with commercial receiverships and assignments for the benefit of creditors.

The current Rules cover types of receiverships not included in the statute, which is limited to commercial receiverships. The proposed new Rules continue to apply to those receiverships. Receiverships pertaining to abatement of nuisances or State or local code violations handled in the District Court pursuant to Rule 3-722 are excluded from both the statute and Title 13 of the Rules.

New definitions of "designated party," "equity holder," "insolvent," "owner," "person," "property," and "receivership property" are added to Rule 13-101, and the definition of "debtor" is revised to mirror the definition in the MCRA.

Rule 13-104 is expanded to provide more detail about how receiverships and assignments for the benefit of creditors are commenced. The redrafting eliminates the need for current Rule 13-106 (Petition for Assumption of Jurisdiction over Estate of an Assignee).

There is a new Rule (Rule 13-108, Service of Papers) that includes the requirement of filing and updating the master service list mandated by the MCRA.



## Rule 13-101

Forms are removed from Rules 13-201, 13-202, 13-401, and 13-501 and replaced with language requiring a filer to use forms approved by the State Court Administrator and posted on the Judiciary website.

Rule 13-201 is expanded to cover both publication and mailing of notices to creditors, eliminating the need for current Rule 13-202 (Mailing of Notice to Creditors).

The MCRA established an automatic stay of pending civil actions in State courts against the debtor during a receivership. Proposed new Rule 13-201, in sections (d) and (e), requires the receiver to notify the clerk and the parties in a pending case of the stay and its eventual termination. New Rule 13-404 adds a procedure by which relief from the stay may be obtained.

Chapter 600, which currently contains only Rule 13-601 (Abandonment of Property and Records), is renamed "Disposition of Property," reflecting the addition of new Rules 13-602 (Assumption, Rejection, or Assignment of an Executory Contract) and 13-603 (Use and Transfer of Estate Property other than in the Ordinary Course of Business) to the Chapter.

Chapter 700 is renamed from "Removal and Resignation" to "Removal; Resignation; Termination of Proceeding" to reflect the addition of new Rule 13-704 (Termination of Proceeding) to the Chapter.

Except for the initial petition to commence the action referenced in Rule 13-104, throughout the Rules in Title 13, the procedure to obtain any relief is now by "motion" rather than by "application," "objection," or "petition."

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-102. SCOPE

(a) Generally

The Rules in this Title apply to actions and proceedings in a circuit court:

(1) to assume jurisdiction over and administer an assignment for the benefit of creditors; and

(2) for the appointment of a receiver and the administration of a receivership proceeding.

(b) Exceptions

(1) The Rules in this Title do not apply to:

(A) receivership proceedings commenced under Rule 3-722, except that the District Court may apply a Rule in this Title to the extent that such application is not inconsistent with Rule 3-722 and is within the jurisdiction of the District Court.

(B) receivership proceedings commenced under Code, Commercial Law Article, § 24-201(b), except that Rules 13-101 through 13-108, 13-301 through 13-303, 13-501 (c) - (g), 13-601 through 13-603, and 13-701 through 13-704 apply in those proceedings.

(2) If, as part of an assignment or receivership proceeding, or in anticipation of such a proceeding, a foreclosure action subject to the Rules in Title 14 is commenced, the Rules in that Title apply and prevail with respect to the foreclosure proceeding.

Committee Note: Code, Commercial Law Article, § 24-201(b) permits a court to appoint a receiver in connection with a commenced or anticipated foreclosure action under certain circumstances. Because foreclosure proceedings may be commenced only by the mortgagee or trustee, or the agent or assignee of the mortgage or trustee, and are subject to special procedures, requirements, and limitations, the Rules in Title 14 will apply to such proceedings. It is recommended that the same judge preside over both the foreclosure and the receivership proceedings to assure that both proceed efficiently and in harmony.

Source: This Rule is derived in part from former Rule BP1 b and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-103. APPLICABILITY OF OTHER RULES

(a) Generally

Except to the extent of any inconsistency with the Rules in this Title, the other applicable Maryland Rules apply to proceedings under this Title. To the extent there is any inconsistency, the Rules in this Title prevail.

(b) Discovery

Except as otherwise provided in this Title, the Rules in Title 2, Chapter 400 apply to discovery in actions under this Title.

Source: This Rule is in part derived from former Rule BP5 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-104. COMMENCEMENT OF ACTION

(a) Assignment

(1) How Commenced

An assignment for the benefit of creditors proceeding is commenced by the filing of a petition to assume jurisdiction over the assignment.

(2) Who May File

The petition shall be filed by the assignee.

(3) Where Filed

The petition shall be filed in the circuit court for any county in which (A) the debtor resides, is employed, or maintains a place of business, or (B) where some part of the estate is located.

(4) Contents

(A) The petition shall: (i) contain the name, address, and e-mail address of the assignor and the assignee; (ii) be accompanied by the executed assignment; (iii) if the assignor is a corporation, be accompanied by all required corporate resolutions or contain a statement that all such resolutions have been executed; (iv) state the nature, approximate value,

and location of the property comprising the estate, to the best of the petitioner's knowledge, information, and belief; and (v) contain or be accompanied by the name, address, and e-mail address, to the extent known, of all interested persons known to the petitioner and a statement of the efforts made by the petitioner to identify and locate other possible interested persons.

(B) If any information in the assignment is subject to shielding pursuant to the Rules in Title 16, Chapter 900, the petition shall be accompanied by a copy of the assignment with the shielded information redacted.

(b) Receivership

(1) How Commenced

A receivership proceeding is commenced by the filing of a petition, except that if a receivership is sought in a pending action, the receivership proceeding may be commenced by the filing of a motion in that action. The motion shall comply with the requirements of a petition set forth in subsection (b) (4) of this Rule.

(2) Who May File

The petition may be filed by any person with statutory or common law standing. If the receivership is sought in a pending action, the motion may be filed by any party to that action.

Cross reference. See, in general, *Spivey-Jones v. Trans Healthcare*, 438 Md. 330 (2014), noting the existence of both equitable or chancery receiverships and statutory receiverships. For standing in equitable receiverships, see *Frigidraft, Inc. v. Michel*, 198 Md. 511 (1951).

(3) Where Filed

The petition shall be filed in the circuit court for any county in which (A) the debtor resides, is employed, or maintains a place of business, or (B) where some part of the estate is located.

(4) Contents

A petition to commence a receivership shall: (A) state the name, address, and e-mail address of the petitioner and the alleged debtor, averments showing that the petitioner is authorized by law to file the petition and the basis for the petition, the name, address, and e-mail address of the person the petitioner seeks to have appointed as the receiver, and averments showing that such person is legally qualified to be appointed as a receiver; and (B) contain or be accompanied by a list of the names, addresses, and e-mail addresses, to the extent known, of all interested persons known to the petitioner and a statement of the efforts made by the petitioner to identify and locate other possible interested persons.

Cross reference: See Code, Commercial Law Article, § 24-201 for the circumstances in which a receiver may be appointed pursuant to Title 24. See § 24-203 for disqualifications for appointment as a receiver.

(c) Show Cause Order

Upon the filing of a petition or motion under this Rule, the court shall issue a show cause order directing a person to show cause in writing on or before a specified date why the court should not take the action described in the order. The petition or motion, together with the show cause order, shall be served on the debtor in the manner directed by the Court.

(d) Hearing

Unless no interested party timely requests a hearing, after service of the show cause order and the petition or motion, the court promptly shall hold a hearing.

Source: this Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

(a) Grounds for Appointment

Upon a verified motion by the petitioner, the court may issue an order appointing a receiver before service of the show cause order and petition or motion only if (1) on evidence presented by the petitioner, the court finds on the record that the appointment is urgently required to preserve or protect property that will be receivership property from imminent waste, loss, transfer, dissipation or impairment, and (2) the petitioner posts security that satisfies the requirements of Code, Commercial Law Article, § 24-201(c)(1).

(b) Order

The order shall specify the authority granted to the receiver pending further proceedings.

(c) Modification or Termination of Appointment

Upon motion of any person joined as a party in the receivership and after a hearing, the court may modify or terminate the order.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE, OR PROFESSIONAL

(a) Receiver or Assignee

A person who is disqualified under Code, Commercial Law Article, § 24-203(b) may not be appointed as a receiver and shall be replaced as an assignee.

(b) Professionals Generally

A person may not serve as an attorney, accountant, appraiser, auctioneer, or other professional representing or assisting a receiver or assignee unless the person provides a statement, under penalty of perjury, as set forth in Rule 13-302, that demonstrates that the eligibility requirements under Code, Commercial Law Article, § 24-303 are satisfied.

(c) Ineligibility No Bar to Assumption of Jurisdiction

The court shall not refuse to assume jurisdiction over the estate of a debtor or appoint a receiver solely because it finds that the proposed assignee or receiver is ineligible to serve under this Rule. After assuming jurisdiction, the court shall remove the ineligible assignee or receiver pursuant to

Rule 13-701 and may take any action permitted or required by Rule 13-703.

Source: This Rule is derived in part from former Rule BP3 a and c, is in part derived from 11 U.S.C. § 101 and § 327, and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-107. BOND

(a) Bond Requirement

The order for appointment of a receiver or assignee shall state whether the appointment is conditioned upon the filing of a bond and, if a bond is required, the amount of the bond.

(b) Amount of Bond

Notwithstanding any provision in Rule 1-402, the amount of the bond shall be no greater than the net value of the property of the estate. In the event of a later sale of property by the receiver or assignee, the court, upon request, shall evaluate the bond previously filed and may permit a decrease in the amount of the bond.

(c) Motion to Modify Amount of Bond

A receiver, assignee, or interested party may file a motion to modify the amount of a bond pursuant to Rule 1-402. The motion shall be served as provided under Rule 13-108 (a) and Code, Commercial Law Article, § 24-501 (d), or upon such persons as the court may direct.

(d) Terms of Bond

## **Rule 13-107**

The bond shall be to the State of Maryland and shall be conditioned upon the faithful discharge of the duties of the receiver or assignee. In a receivership subject to Code, Commercial Law Article, Title 24, the bond shall comply with § 24-204 of that Article.

### (e) Payment of Bond Premium from Estate

Unless the court orders otherwise, a receiver or assignee may advance the bond premium and be allowed reimbursement of the premium from the estate.

Source: This Rule is derived in part from former Rule V73 and is in part new.

### REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-108. SERVICE OF PAPERS

(a) Filing Master Service List

The receiver or assignee shall file and maintain a master service list, and, at least once every 120 days, file with the court an updated master service list.

(b) Master Service List

In accordance with Code, Commercial Law Article, § 24-501 (c), the master service list shall consist of the names, mailing addresses, and, where available, facsimile numbers and e-mail addresses of the receiver or assignee, the debtor, all persons known by the receiver or assignee to have asserted any ownership or lien in property of the estate, all persons joined as parties in the proceeding, all attorneys of record and all persons who file an entry of appearance.

(c) General Requirement

Unless otherwise ordered by the court, a motion or other paper shall be served in accordance with Code, Commercial Law Article, § 24-501 (d) on:

- (1) all persons on the master service list;

(2) all persons that have asserted an ownership interest or lien in receivership property that is the subject of the motion;

(3) all persons that are identified in the motion as directly affected by the relief requested; and

(4) any other person that the court directs.

(d) Entry of Appearance

A person that is a creditor or party in interest and wishes to receive notices in a proceeding shall file with the clerk a notice of appearance stating the person's name, mailing address, email address, facsimile number, and telephone number and provide a copy of the notice to the receiver or assignee.

(e) Notices to Creditors

The receiver, assignee, or other person that files a motion shall include in the motion a notice section that states:

(1) the deadline for filing and serving objections to the motion and any requests for a hearing; (2) the effect of a failure to respond to the motion or to attend any hearing the court may set; and (3) that, in the absence of a timely filed and served objection and request for a hearing, the court may rule on the motion without further notice or hearing.

(f) Content of Objection

An objection shall state the legal and factual basis for it and may be accompanied by a memorandum of fact and law. The objection shall contain a certificate of service certifying that



**Rule 13-108**

a copy of the objection and of any supporting memorandum have been sent to each person who was served with the motion.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. NOTICE TO CREDITORS

- (a) Notice by Receiver or Assignee
- (b) After Filing of Financial Documents
- (c) Later-Discovered Creditors
- (d) Notice to Clerks and Parties in Other Pending Civil Actions
- (e) Notice of Termination of Automatic Stay

Rule 13-202. FINANCIAL DOCUMENTS

- (a) Preparation and Filing by Debtor
- (b) Preparation and Filing by Receiver or Assignee
- (c) Failure of Receiver or Assignee to File Documents
- (d) Order Compelling Disclosure; Sanction

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. NOTICE TO CREDITORS

(a) Notice by Receiver or Assignee

No later than five days after the court appoints a receiver or assignee, or assumes jurisdiction over an estate, the receiver or assignee shall prepare, mail, and cause any publication of the Notice to Creditors required under Code, Commercial Law Article, § 24-302 (a) and (b). The receiver or assignee shall file with the clerk a certificate of mailing or publication of the Notice within five days after the initial mailing or publication.

(b) After Filing of Financial Documents

Within five days after filing the financial documents required by Rule 13-202 (a), the receiver or assignee shall send a copy of the notice required by section (a) by mail to all creditors shown on the documents to whom the notice was not sent pursuant to section (a) of this Rule. Within five days after such mailing, the receiver or assignee shall file with the clerk a certificate of mailing.

(c) Later-Discovered Creditors

The receiver or assignee shall promptly send a copy of the notice required by section (a) by mail to each creditor whose identity is discovered after the mailing of the notice under sections (a) or (b). Within five days after such mailing, the receiver or assignee shall file a certificate of mailing.

(d) Notice to Clerks and Parties in Other Pending Civil Actions

(1) Requirement

If a financial document filed under Rule 13-202 discloses another civil action pending in a Maryland court to which the debtor is a party, the receiver or assignee shall file a notice of the receiver's appointment or the assumption of jurisdiction over the assignee's estate, and the automatic stay arising under Code, Commercial Law Article, § 24-401 with the clerk of the court where the debtor is a party to the action and send a copy (A) to all parties of record in that action and (B) to parties of record in a non-judicial foreclosure.

(2) Form and Time of Notice

The notice shall be on a form approved by the State Court Administrator and posted on the Judiciary website and shall be sent by first class or certified mail within 10 days after the filing of the financial document disclosing the pending action.

(e) Notice of Termination of Automatic Stay

## **Rule 13-201**

Within ten days after entry of an order under Rule 13-704 terminating the receivership or assignment for the benefit of creditors, the receiver or assignee shall file a notice of the termination of the automatic stay in any action in which the notice required under section (d) of this Rule was filed. The notice shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

Source: This Rule is derived in part from former Rule BP4 a 1, in part from former Rule BP4 a 2, and is in part new.

### REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-202. FINANCIAL DOCUMENTS

(a) Preparation and Filing by Debtor

Subject to a court order, within 15 days after the court appoints a receiver or assumes jurisdiction over the estate, the debtor shall complete and file in the proceeding, with copies to the receiver or assignee, the Schedules of Assets and Liabilities and Statement of Financial Affairs substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

(b) Preparation and Filing by Receiver or Assignee

If the debtor or designated party fails to file the financial documents required by section (a) within the deadline set for such filing, the receiver or assignee, to the extent able to supply the information, shall prepare and file the documents. The documents shall be filed within 30 days after the debtor's required filing date or such other date as the court orders.

(c) Failure of Receiver or Assignee to File Documents

If a receiver or assignee who is required to file the documents required by section (a) fails to do so within the required time, any creditor may file a motion regarding the delinquency. Upon the filing of the motion or on its own initiative, the court may issue an order to the receiver or assignee to show cause in writing on or before a specified date why the receiver or assignee should not be compelled to file the schedule or be removed. Unless cause is shown or the financial documents required by this Rule are filed, the court shall remove the receiver or assignee.

(d) Order Compelling Disclosure; Sanction

Upon a motion of the receiver or assignee, or on the court's initiative, the court may order a designated party or parties, or any other person who may have information that is necessary for the filing or completion of the financial documents required by section (a) to appear before the court or before an examiner pursuant to Rule 2-542 and to disclose such information. If the designated party or other person refuses to comply with an order compelling disclosure, the court may hold the offending party in contempt.

Source: This Rule is derived in part from former Rule BP2 a and b and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER, AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

- (a) Court Approval Required
- (b) Prior Approval of Compensation in Certain Instances

Rule 13-302. AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONAL

- (a) Required Disclosure by Affidavit of Receiver or Assignee
- (b) Required Disclosure by Affidavit of Other Professional
- (c) When Filed
- (d) Supplemental Disclosure
- (e) Penalty for Failure to Disclose Required Information

Rule 13-303. COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE, AND PROFESSIONAL

- (a) Motion for Allowance of Compensation and Expenses
- (b) Allowance
- (c) Sharing of Compensation

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER,  
AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

(a) Court Approval Required

An order approving the employment of attorneys, accountants, appraisers, auctioneers, brokers, or other professionals under Code, Commercial Law Article, § 24-303, shall be entered only upon motion of the receiver or assignee. The motion shall set forth (1) the necessity for the employment, (2) the information required by Code, Commercial Law Article, § 24-303 (a) (3), and (3) if the schedule required by Rule 13-202 has not been filed, the nature and approximate amount of the debtor's property and debts. The motion shall be accompanied by the affidavit required by Rule 13-302. A receiver or assignee may serve as attorney or accountant for the estate with court approval.

(b) Prior Approval of Compensation in Certain Instances

If the motion requesting authority to employ an attorney, accountant, appraiser, auctioneer, broker, or other professional sets forth in reasonable detail the basis for the proposed

## **Rule 13-301**

compensation of the person to be employed, the court may authorize compensation to be paid without further order of court for work completed within stated limits. This Rule does not apply to a receiver or an assignee who serves as attorney or accountant for the estate.

Source: This Rule is derived in part from former Rule BP6 a and b and is in part new.

### REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-302. AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONAL

(a) Required Disclosure by Affidavit of Receiver or Assignee

A receiver or assignee shall file an affidavit containing all of the information that would demonstrate eligibility under Code, Commercial Law Article, § 24-203(b).

(b) Required Disclosure by Affidavit of Other Professional

Each attorney, accountant, appraiser, auctioneer, broker, or other professional to be employed by the assignee or receiver shall file an affidavit containing all of the information that would demonstrate eligibility under Code, Commercial Law Article, § 24-303.

(c) When Filed

The affidavit shall be filed:

- (1) by an assignee, with the petition;
- (2) by a receiver, with the petition or motion seeking appointment of the receiver;
- (3) by an attorney, accountant, appraiser, auctioneer, broker, or other professional, with the motion requesting authority to employ the person.

(d) Supplemental Disclosure

A person who has filed an affidavit under this Rule and who learns that the information in the affidavit is inaccurate or incomplete shall promptly file a supplemental affidavit.

(e) Penalty for Failure to Disclose Required Information

In addition to any other remedies provided by law, the court, pursuant to Rule 13-701, may remove any person who fails to disclose any information required to be disclosed by this Rule and may take any action permitted or required by Rule 13-703.

Source: This Rule is derived in part from former Rule BP3 a, b, and d and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-303. COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE,  
AND PROFESSIONAL

(a) Motion for Allowance of Compensation and Expenses

Except to the extent provided in the order appointing a receiver in a proceeding filed under Code, Commercial Law Article, § 24-103 (a)(1), or except as provided in Code, Commercial Law Article, § 24-303 (d)(2) or Rule 13-301 (b), before a receiver, assignee, or any person performing services for the estate pursuant to Rule 13-301 is paid compensation or reimbursed for expenses not previously approved by the court, the receiver or assignee shall file with the court a motion for the allowance of compensation and expenses. The motion shall include the information required by Code, Commercial Law Article, § 24-303 (c)(1), and also shall include:

- (1) the amount of compensation and expenses requested;
- (2) the amount of any compensation or expenses previously allowed by the court to the movant;
- (3) the amount of any compensation and expenses received from or to be paid by any source other than the estate; and

(4) a detailed description of any agreement or understanding for a division of the compensation between the person rendering services and any other person except those specifically permitted to share in compensation by section (c) of this Rule.

(b) Allowance

The court shall review the motion and any evidence presented and shall determine the appropriate amount of compensation and expenses to be paid to the receiver, assignee, or person performing services for the receiver or assignee. In determining the amount, the court is not bound by any compensation or commission fixed in an assignment for the benefit of creditors or in any other agreement not approved by the court.

(c) Sharing of Compensation

Without the express written approval of the court, a receiver, assignee, or person performing services for a receiver or assignee shall not, in any form or manner, share or agree to share compensation for services rendered with any person other than a partner, employer, or regular employee of the person rendering services.

Source: This Rule is derived in part from former Rule BP7 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

- (a) Time for Filing
- (b) Extension of Time
- (c) Form
- (d) Assignment of Claim

Rule 13-402. OBJECTIONS TO CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

Rule 13-404. RELIEF FROM STAY

- (a) Motion
- (b) Contents
- (c) Service

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

(a) Time for Filing

A proof of claim in a proceeding filed under Code, Commercial Law Article, § 24-103 (a) (2) or (3), or in a proceeding filed by an assignee, shall be filed within 120 days after the later of the date of the notice to creditors or the date of the most recent publication of the notice, under Rule 13-201.

(b) Extension of Time

The court may extend the time for filing a proof of claim for good cause upon the filing of a motion by any person.

(c) Form

A proof of claim, together with supporting documentation, shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website. The form shall comply with Code, Commercial Law Article, § 24-302(c).

(d) Assignment of Claim

If a claim has been assigned after a proof of claim has been filed, the transferee of the original claimant shall file a

## **Rule 13-401**

notice of assignment within 15 days after the date of such assignment. The notice of assignment of the claim shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

Source: This Rule is derived in part from former Rule BP4 b and c and is in part new.

### REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-402. OBJECTIONS TO CLAIMS

A motion objecting to a proof of claim may be filed at any time before entry of an order approving a receiver's or assignee's final report. The grounds for the motion shall be stated with particularity. The motion shall be served on the claimant, the claimant's counsel of record, if any, and, unless the receiver or assignee is the moving party, on the receiver or assignee.

Source: This Rule is derived in part from former Rule BP4 d and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

On motion by a receiver or assignee, the court may approve a compromise or settlement of a claim or other dispute.

Source: This Rule is in part derived from former Rule V77 b 1 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-404. RELIEF FROM STAY

(a) Motion

A creditor or other interested party may file a motion seeking relief from the stay imposed by Code, Commercial Law Article, § 24-401 (a).

(b) Contents

The motion shall state the grounds that constitute cause for relief from the stay. If the motion requests relief from the stay in order to enforce a lien or interest in real or personal property, the motion shall include:

(1) a verified, detailed statement of the debt owed to the movant, including the amount of arrearages accrued, if any;

(2) a description of the property and the security interest involved, with attached documents evidencing the security interest and its perfection;

(3) if the movant asserts a valuation, the amount of the valuation, its date, and the basis for the valuation (e.g., appraisal, vehicle valuation publication, etc.);

(4) the grounds that constitute cause; and

(5) the remedy sought.

(c) Service

The motion shall be served as provided under Rule 13-108 (c) and Code, Commercial Law Article, § 24-501(d), or upon such persons as the court may direct.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

- (a) Interim Report
- (b) Form of Interim Report
- (c) Final Report
- (d) Form of Final Report
- (e) Monthly Report if Conducting a Business
- (f) Further Accountability
- (g) Examination by Trust Clerk

Rule 13-502. DISTRIBUTION

- (a) Court Approval Required
- (b) Minimum Dividend
- (c) Disposition of Unclaimed Distributions
- (d) Distribution as Part of Final Report



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

(a) Interim Report

An interim report shall be filed by a receiver or assignee at such times as the receiver or assignee determines is appropriate or as ordered by the court.

(b) Form of Interim Report

An interim report shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website. The form shall comply with Code, Commercial Law Article, § 24-601.

(c) Final Report

A final report shall be filed by a receiver or assignee upon completion of the receiver's or assignee's duties.

(d) Form of Final Report

A final report shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website. The form shall comply with Code, Commercial Law Article, § 24-602.

(e) Monthly Report if Conducting a Business

For each calendar month during which the receiver or assignee conducts the business of the debtor, the receiver or assignee shall file a report listing the receipts and disbursements in reasonable detail. The report shall be filed not later than the 15th day after the end of the monthly reporting period.

(f) Further Accountability

Nothing in this Rule shall be construed to abridge the power of the court to require a receiver or assignee to submit reports covering periods greater or lesser, or at times earlier or later, than those prescribed in this Rule or to require the submission of more detailed information than that which is prescribed in this Rule.

(g) Examination by Trust Clerk

(1) Examination of Reports

If requested by the court, the trust clerk shall examine all reports submitted pursuant to this Rule. The trust clerk shall determine whether all required information has been submitted and whether the amount of and surety on the bond of the receiver or assignee are sufficient to protect the estate.

(2) Examination of Property Not Required

Unless the court orders otherwise, the trust clerk need not examine the property of the estate.

(3) Report and Recommendation

## **Rule 13-501**

The trust clerk shall (A) report any irregularities in the report to the court, (B) bring to the court's attention any other matter that the trust clerk considers appropriate, and (C) make any appropriate recommendation, all of which shall be served on the receiver or assignee and on any person directly or indirectly affected by the report or recommendation.

Source: This Rule is derived in part from former Rule BP9 a, b, d, e, f, and g, and is in part new.

### REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-502. DISTRIBUTION

(a) Court Approval Required

No interim or final distribution shall be made by a receiver or assignee without court approval. Until a final distribution is made to creditors, the estate may not be closed, and any bond of the receiver or assignee may not be released.

(b) Minimum Dividend

Unless the court orders otherwise, the assignee or receiver may not make a distribution to a creditor in an amount less than \$5.00. Any amount not distributed to a particular creditor shall be redistributed *pro rata* to other creditors that are entitled to receive a distribution.

(c) Disposition of Unclaimed Distributions

The receiver or assignee shall pay into the court's registry any distributions that remain unclaimed for 90 days after the date of issuance of the distribution. The receiver or assignee shall file a list of the names and last known addresses of persons who have not claimed distributions, showing the amount of each person's distribution. The clerk shall issue a

receipt for the payment, and the receipt shall release and discharge the receiver or assignee making the payment.

Thereafter, any unclaimed distributions shall be subject to Code, Commercial Law Article, § 17-101, et seq.

(d) Distributions as Part of Final Report

A receiver or assignee may satisfy the requirement of court approval of a final distribution by proposing the distribution in a final report approved by the court under Code, Commercial Law Article, § 24-602.

Source: This Rule is derived in part from former Rules BP9 b 2 and BP10 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

- (a) Abandonment of Property
- (b) Abandonment or Destruction of Books and Records

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN EXECUTORY CONTRACT

- (a) Motion to Assume, Reject, or Assign
- (b) Limitations
- (c) Omnibus Motion
- (d) Finality of Determination
- (e) Time for Filing Rejection Damage Claims

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS

- (a) Definition
- (b) Court Approval
- (c) Motion
- (d) Report of Sale
- (e) Inapplicability of Title 14, Chapter 300

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

(a) Abandonment of Property

On motion of a receiver or assignee, the court may order the abandonment of any property of the estate that is burdensome or not of material value to the estate.

(b) Abandonment or Destruction of Books and Records

(1) Motion

In connection with the termination of the receivership or assignment for the benefit of creditor's estate, the receiver or assignee may move for permission to destroy, return to the debtor, or otherwise dispose of all or part of the books and records of the debtor or of the estate.

(2) Notice

Notice of the motion shall be given to all federal and state tax authorities, the debtor at the debtor's last known address, and all other parties that are required to be served under Rule 13-108 (b).

Source: This Rule is derived from former Rule BP8 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN  
EXECUTORY CONTRACT

(a) Motion to Assume, Reject, or Assign

An executory contract may be assumed, rejected, or assigned by the receiver or assignee only if authorized by the court on motion filed by the receiver or assignee.

(b) Limitation

The receiver or assignee may not seek authority to assume or assign multiple executory contracts in one motion unless: (1) all executory contracts to be assumed or assigned are between the same parties or are to be assigned to the same assignee; or (2) the court otherwise authorizes such motion to be filed. Subject to section (c), the receiver may join requests for authority to reject multiple executory contracts in one motion.

(c) Omnibus Motion

A motion to reject or, if permitted under section (b), a motion to assume or assign multiple executory contracts that are not between the same parties, shall:

(1) State in a conspicuous place where parties receiving the omnibus motion should locate their names and their contracts listed in the motion;

(2) List parties alphabetically and identify the corresponding contract;

(3) Specify the terms, including the amount and timing of curing monetary defaults, for each requested assumption or assignment;

(4) Specify the terms, including the identity of each assignee, and the adequate assurance of future performance by each assignee, for each requested assignment;

(5) Be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts; and

(6) Be limited to no more than 100 contracts.

(d) Finality of Determination

The finality of any order respecting an executory contract included in an omnibus motion shall be determined as though such contract had been the subject of a separate motion.

(e) Time for Filing Rejection Damage Claims

A claim for damages for rejection of an executory contract shall be set forth on a proof of claim substantially in the form and with the supporting documentation required in Rule 13-401 (b) and shall be filed by the later of the time for submitting a proof of claim in the proceeding, or 30 days after

**Rule 13-602**

entry of the order rejecting the executory contract, unless otherwise ordered by the court.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN  
THE ORDINARY COURSE OF BUSINESS

(a) Definition

In this Rule, "transfer" includes a sale, lease, license, exchange or other disposition of estate property.

(b) Court Approval

A receiver or assignee may not (1) use or (2) transfer other than pursuant to Rule 13-601, receivership property outside of the ordinary course of business unless the use or transfer is authorized by the court upon motion filed by the receiver or assignee.

(c) Motion

(1) Generally

The motion shall be accompanied by a proposed order and any proposed purchase, license, exchange agreement, or lease and shall state why the proposed transaction is in the best interest of the receivership or assignment.

(2) Sale

A sale of property outside the ordinary course of business may be by private sale or public sale. If the motion seeks a private sale of the property, it shall describe the terms of the proposed sale, the basis for the receiver's or assignee's belief as to the fairness and reasonableness of the proposed terms and, to the extent applicable, shall include the following information:

(A) if an appraisal has been performed at the request of the receiver or assignee: (i) the appraised value of the property being sold; (ii) the date of the appraisal; and (iii) the name and address of the appraiser;

(B) the purchaser's identity;

(C) a full description of the relationship between the purchaser and the receiver, assignee, owner of the property, or other parties in interest;

(D) the statement of all consideration to be paid the purchaser and the payment terms;

(E) a statement of all charges and costs to be paid by the estate and all concessions to be made by the estate;

(F) any provision in which the receiver or assignee has agreed not to solicit competing offers for the property subject to the motion or to otherwise limit shopping of the property;

(G) any deadline for the closing of the proposed sale and any other condition to closing the proposed sale;

(H) the amount of any deposit that the purchaser has paid or will be required to pay;

(I) the terms of any interim operating or management agreement between the receiver or assignee and the proposed purchaser;

(J) the proposed use of the sale proceeds;

(K) whether the proposed sale will be free and clear of any lien;

(L) whether the proposed sale will be free and clear of a possessory leasehold interest, license or other right; and

(M) whether the receiver or assignee seeks to allow, disallow, or affect, in any manner, credit bidding pursuant to § 24-304(g) of the Commercial Law Article.

(d) Report of Sale

As soon as practicable, but not more than 30 days after the closing of a sale, the receiver or assignee shall file and serve a report of the sale listing the amount paid by the purchaser, all closing expenses, including any sales commission paid by the receiver or assignee, any amount paid to discharge liens on the property, and any amount to be retained by the estate.

(e) Inapplicability of Title 14, Chapter 300

The provisions of Title 14, Chapter 300 of the Rules do not apply to a sale by a receiver or assignee under this Title.

**Rule 13-603**

Committee note: Title 14, Chapter 300 does apply to a foreclosure, whether or not in conjunction with a receivership. Section (d) only applies to sales by the receiver or assignee.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

- (a) Motion; On Court's Own Initiative
- (b) Show Cause Order; Service
- (c) Disposition

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

- (a) Motion
- (b) Report to Be Filed
- (c) Termination of Appointment
- (d) Proceedings

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF  
COMPENSATION

Rule 13-704. TERMINATION OF PROCEEDING



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

(a) Motion; On Court's Own Initiative

Any person having an interest in the estate may file a motion to remove a receiver, assignee, or any person employed as a professional by the receiver or assignee. A motion filed pursuant to this section shall state the reasons for the requested removal and may include a request for the appointment of a successor receiver, assignee, or professional. The court may initiate removal proceedings by entry of a show cause order pursuant to section (b) of this Rule and shall state in the order the reasons for the proposed removal.

(b) Show Cause Order; Service

If removal proceedings are initiated, the court shall order the receiver, assignee, or professional to show cause why the receiver, assignee, or professional should not be removed or be subject to other sanctions. The order, together with a copy of any motion, shall be served pursuant to Rule 2-121 on the person sought to be removed or, if it is shown by affidavit that the whereabouts of the person sought to be removed are unknown

and that reasonable efforts have been made in good faith to locate the person, the court may order service pursuant to Rule 2-122. Copies of the show cause order and any motion shall be sent by first class mail, postage prepaid, to the surety on the bond of the receiver or assignee and to any other persons directed by the court.

(c) Disposition

For cause, including ineligibility, the court may remove a receiver, assignee, or professional.

Cross reference: See Code, Commercial Law Article, § 24-703.

Source: This Rule is in part derived from former Rule V84 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

(a) Motion

A receiver may file a motion for permission to resign in the court in which the receiver was appointed. An assignee may file a motion to resign in the court in which a petition to assume jurisdiction of the estate has been filed. The motion shall state the reasons for the proposed resignation and may include a request for the appointment of a successor receiver or assignee.

(b) Report to Be Filed

The receiver or assignee shall file with the motion a report pursuant to Rule 13-501 for any period not covered in any report previously filed or, if no previous report has been filed, from the date the receiver or assignee took charge of the estate.

(c) Termination of Appointment

The resignation of a receiver or assignee does not terminate the appointment until the receiver or assignee has

accounted for and turned over all property of the estate and the resignation has been approved by the court.

(d) Proceedings

In an order granting the motion, the court may specify any conditions for the acceptance of the resignation that the nature of the case may require.

Source: This Rule is in part derived from former Rule V81 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF  
COMPENSATION

When a receiver, assignee, or professional dies, becomes disabled, resigns, or is removed, the court shall appoint a successor on its own initiative or on the motion of any person having an interest in the estate. The court shall order that all appropriate papers, records, and property be turned over to the successor and may order that a removed or resigning receiver or assignee file any report required by Rule 13-501. The court may order the person removed to forfeit any future compensation and return any compensation for services previously rendered.

Source: This Rule is derived from former Rule V82 a.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-704. TERMINATION OF PROCEEDING

After a final report is approved by the court, the receiver or assignee is discharged from performing duties, the receivership property is fully administered, and distributions, if any, are made, the court, on its own initiative, or on motion of a party in interest, shall enter an order terminating the receivership or assignment for the benefit of creditors proceeding.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

TABLE OF CONTENTS

Rule 14-601. APPLICABILITY

Rule 14-602. DEFINITIONS

- (a) Interested Party
- (b) Municipal Corporation
- (c) Real Property
- (d) Tax

Rule 14-603. VENUE

Rule 14-604. IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS -  
COMPLAINT

- (a) Contents
- (b) Exhibits to be Filed

Rule 14-605. PROCESS

Rule 14-606. HEARING

- (a) Timing
- (b) Right to Cure
- (c) Conduct of Hearing
- (d) Finding
- (e) Judgment

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-601, as follows:

Rule 14-601. APPLICABILITY

The Rules in this Chapter govern in rem foreclosure actions filed by a county or municipal corporation to satisfy delinquent taxes pursuant to Code, Tax-Property Article, §§ 14-873 - 14-876.

Source: This Rule is new.

REPORTER'S NOTE

Proposed new Title 14, Chapter 600 establishes procedures implementing in rem foreclosures for local government tax liens, a new cause of action established by Chapter 276, 2019 Laws of Maryland (SB 509). Rule 14-601 sets forth the applicability of the Chapter.



MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-602, as follows:

Rule 14-602. DEFINITIONS

In the Rules in this Chapter, the following definitions apply except as otherwise expressly provided or as necessary implication requires:

(a) Interested Party

"Interested Party" means

- (1) The person who last appears as owner of the real property on the collector's tax roll,
- (2) A mortgagee of the property or an assignee of a mortgage of record,
- (3) A holder of a beneficial interest in a deed of trust recorded against the real property,
- (4) A taxing agency that has the authority to collect tax on the real property, or
- (5) Any person having an interest in the real property whose identity and address are (A) reasonably ascertainable from the county land records or (B) revealed by a full title search consisting of at least 50 years.

Cross reference: See Code, Tax-Property Article, § 14-873.

(b) Municipal Corporation

"Municipal Corporation" means an entity that is subject to Article XI-E of the Maryland Constitution.

Cross reference: See Code, Tax-Property Article, § 1-101.

(c) Real Property

"Real Property" means any land

(1) that consists of a vacant lot or improved property cited as vacant and unsafe or unfit for habitation or other authorized use on a housing or building violation notice, and

(2) on which the total amount of liens for unpaid taxes exceeds the lesser of the total value of the property as determined by (A) the State Department of Assessments and Taxation or (B) an appraisal report prepared by a State licensed real estate appraiser not more than six months prior to the filing of a complaint under Rule 14-604.

Cross reference: See Code, Tax-Property Article, § 14-874 (a).

(d) Tax

"Tax" means any tax or charge of any kind due to the State or any of its political subdivisions, or to any other taxing agency, that by law is a lien against the real property on which it is imposed or assessed. "Tax" includes interest, penalties, and service charges.

## **RULE 14-602**

Cross reference: See Code, Tax-Property Article, § 14-801(d), and for the definition of "other taxing agency," see Code, Tax-Property Article, § 14-801(b).

Source: This Rule is new.

### REPORTER'S NOTE

The definitions in proposed new Rule 14-602 are taken almost verbatim from Code, Tax-Property Article, §§ 1-101, 14-801, 14-873, and 14-874(a).

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-603, as follows:

Rule 14-603. VENUE

A complaint for in rem foreclosure shall be commenced in the circuit court for the county in which the real property is located.

Source: This Rule is new.

REPORTER'S NOTE

Proposed new Rule 14-603 is derived from Code, Tax-Property Article, § 14-875 (d) (1).

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-604, as follows:

Rule 14-604. IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS - COMPLAINT

(a) Contents

In an in rem foreclosure, the complaint, in addition to complying with Rules 2-303 through 2-305, shall set forth

(1) the identity of the county or municipal corporation seeking foreclosure, including its address;

(2) a description of the real property as it appears in the county land records;

(3) the tax identification number of the real property;

(4) an averment that the taxes are at least six months delinquent at the time of filing;

(5) the amount of taxes that are delinquent as of the date of filing;

Committee note: A complaint may be amended to include any taxes that become delinquent after commencement of the in rem foreclosure action. See Code, Tax-Property Article, § 14-875(f).

(6) the names and last known addresses of each interested party;

(7) an averment that the real property is either

(A) a vacant lot, or

(B) improved property cited as

(i) vacant and unsafe, or

(ii) unfit for human habitation or other authorized use;

(8) an averment that the value of the real property as determined in accordance with Code, Tax-Property Article, § 14-874(a)(2) is less than the total amount of liens for unpaid taxes;

(9) a request that the circuit court not schedule a hearing on the complaint until at least 30 days after the date the complaint is accepted for filing by the clerk; and

(10) a request for judgment

(A) foreclosing the existing interest of all interested parties in the real property and

(B) ordering the transfer of ownership of the real property to the county or municipal corporation.

Cross reference: See Code, Tax-Property Article, §§ 14-874(a), 14-875(e).

(b) Exhibits to be Filed

The complaint shall be accompanied by:

(1) a certificate of the collector showing the total amount of tax due with all penalties and interest;

Cross reference: See Code, Tax-Property Article, §§ 1-101(e) and 14-869 (b).

**RULE 14-604**

(2) a copy of a document establishing the value of the real property in compliance with Code, Tax-Property Article, § 14-874(a)(2); and

(3) if applicable, a copy of each violation notice pertaining to an averment in the complaint that is referenced in subsection (a)(7)(B) of this Rule.

Cross reference: See Code, Tax-Property Article, § 14-875(e)(9).

REPORTER'S NOTE

Proposed new Rule 14-604 is based upon Code, Tax-Property Article §§ 1-101(e), 14-869(b), 14-874(a), and 14-875(e)-(f), with stylistic changes.

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-605, as follows:

Rule 14-605. PROCESS

Within five days after the complaint is accepted by the clerk for filing, the county or municipal corporation shall (a) in compliance with Rule 2-122 (a)(3), cause notice to be posted in a conspicuous place on the real property subject to the in rem foreclosure that at a minimum sets forth (1) the name of the court in which the in rem foreclosure action has been filed and the case number of the action, (2) that the property is subject to an action seeking foreclosure, and (3) that further information about the foreclosure action may be obtained from the clerk's office, and (b) send notice and a copy of the complaint to each interested party by first-class mail and certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service.

Cross reference: See Code, Tax-Property Article, § 14-875(d)(2).

Source: This Rule is new.



REPORTER'S NOTE

Proposed new Rule 14-605 is derived in part from Code, Tax-Property Article, § 14-875(d)(2) and Rule 2-122 (a)(3).

MARYLAND RULE OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 600 - IN REM FORECLOSURE OF LOCAL GOVERNMENT TAX LIENS

ADD new Rule 14-606, as follows:

Rule 14-606. HEARING

(a) Timing

The circuit court shall schedule a hearing no earlier than 30 days after the date the complaint is accepted for filing by the clerk.

Cross reference: Code, Tax-Property Article, § 14-876.

(b) Right to Cure

Until a judgment foreclosing the tax lien is entered in favor of the county or municipal corporation, any interested party may cure the tax lien by paying all past due taxes, including penalties and interest.

Cross reference: See Code, Tax-Property Article, § 14-804 (unpaid taxes on real property are tax liens) and Code, Tax-Property Article, § 14-875(g).

(c) Conduct of Hearing

Any interested party shall have the right to be heard, to contest the delinquency of the taxes, and to contest the adequacy of the proceedings.

Cross reference: See Code, Tax-Property Article, § 14-876(b).

(d) Finding

If the court finds by a preponderance of the evidence that (1) notice has been provided to all interested parties pursuant to Rule 14-605 and (2) the information set forth in the complaint is accurate and in compliance with Rule 14-604, the court shall enter a judgment in favor of the county or municipal corporation.

Cross reference: See Code, Tax-Property Article, § 14-876(c).

(e) Judgment

The judgment shall:

(1) state that notice has been provided to all interested parties;

(2) state that the real property is a vacant lot or an improved property cited as vacant and unsafe or unfit for human habitation or other authorized use and that the value of the real property is shown to be less than the amount of the unpaid taxes; and

(3) order that ownership of the real property be transferred to the county or municipal corporation on behalf of which the complaint was filed.

Cross reference: See Code, Tax-Property Article, §§ 14-876(c)(1)-(2).

Source: This Rule is new.

REPORTER'S NOTE

In proposed new Rule 14-606, section (a) is based on the language in Code, Tax-Property Article, § 14-876, which states that "[a] circuit court may not set a hearing for an in rem foreclosure until 30 days after the complaint for an in rem foreclosure is filed." Section (a) differs from the statute in that time runs from after the clerk accepts the filing, rather than when the complaint is filed. This is to minimize any disputes that may arise as to timing in the event that a complaint is not accepted through MDEC on the same day it was filed or is rejected for a deficiency that is subsequently corrected. The date the complaint is accepted for filing serves as a bright-line rule that all parties involved in these matters can easily understand, and that does not result in less time being provided than was contemplated in the statute.

Section (b) is derived from Code, Tax-Property Article, § 14-875(g), and relies on the tax lien authority present in Code, Tax-Property Article § 14-804(a), which provides that unpaid taxes on real property are a lien on the subject real property effective from the date they were due and payable.

Section (c) is based on Code, Tax-Property Article, § 14-876(b).

Section (d) closely follows Code, Tax-Property Article, § 14-875(c). The main difference is that section (d) includes a "preponderance of the evidence" burden of proof. The statute is silent on this issue.

Section (e) incorporates the language used in Code, Tax-Property Article, §§ 14-876(c)(1)-(2) and requires a finding in the judgment that the subject real property meets the statutory requirements to qualify for an in rem foreclosure set forth in Code, Tax-Property Article, § 14-874(a).

MARYLAND RULES OF PROCEDURE  
TITLE 14 - SALES OF PROPERTY  
CHAPTER 100 - GENERAL PROVISIONS

AMEND Rule 14-102 by updating statutory references, as follows:

Rule 14-102. JUDGMENT AWARDING POSSESSION

(a) Motion

(1) If the purchaser of an interest in real property at a sale conducted pursuant to the Rules in this Title is entitled to possession and the person in actual possession fails or refuses to deliver possession, the purchaser or a successor in interest who claims the right of immediate possession may file a motion for judgment awarding possession of the property.

(2) The motion shall state the legal and factual basis for the movant's claim of entitlement to possession.

(3) If the movant's right to possession arises from a foreclosure sale of a dwelling or residential property, the motion shall include averments, based on a reasonable inquiry into the occupancy status of the property and made to the best of the movant's knowledge, information, and belief, establishing either that the person in actual possession is not a bona fide tenant having rights under Code, Real Property Article, § 7-

~~105.6~~ 7-105.8 or, if the person in possession is such a bona fide tenant, that the notice required under these laws has been given and that the tenant has no further right to possession. If a notice pursuant to Code, Real Property Article, § ~~7-105.6~~ 7-105.8 is required, the movant shall state the date the notice was given and attach a copy of the notice as an exhibit to the motion.

Committee note: Unless the purchaser is a foreclosing lender or there is waste or other circumstance that requires prompt remediation, the purchaser ordinarily is not entitled to possession until the sale has been ratified and the purchaser has paid the full purchase price and received a deed to the property. See *Legacy Funding v. Cohn*, 396 Md. 511 (2007) and *Empire v. Hardy*, 386 Md. 628 (2005).

. . .

(d) Service and Response

(1) On Whom

The motion and all accompanying documents shall be served on the person in actual possession and on any other person affected by the motion.

(2) Party to Action or Instrument

(A) If the person to be served was a party to the action that resulted in the sale or to the instrument that authorized the sale, the motion shall be served in accordance with Rule 1-321.

(B) Any response shall be filed within the time set forth

in Rule 2-311.

(3) Not a Party to Action or Instrument

(A) If the person to be served was not a party to the action that resulted in the sale or a party to the instrument that authorized the sale, the motion shall be served:

(i) by personal delivery to the person or to a resident of suitable age and discretion at the dwelling house or usual place of abode of the person, or

(ii) if on at least two different days a good faith effort was made to serve the person under subsection

(d)(3)(A)(i) of this Rule but the service was not successful, by (a) mailing a copy of the motion by certified and first-class mail to the person at the address of the property and (b) posting in a conspicuous place on the property a copy of the motion, with the date of posting conspicuously written on the copy.

(B) Any response shall be filed within the time prescribed by sections (a) and (b) of Rule 2-321 for answering a complaint. If the person asserts that the motion should be denied because the person is a bona fide tenant having a right of possession under Code, Real Property Article, § ~~7-105.6~~ 7-105.8, the response shall (i) state the legal and factual basis for the assertion and (ii) be accompanied by a copy of any bona fide lease or documents establishing the existence of such a lease or

state why the lease or documents are not attached.

(4) Judgment of Possession

If a timely response to the motion is not filed and the court finds that the motion complies with the requirements of sections (a) and (b) of this Rule, the court may enter a judgment awarding possession. If a timely response to the motion is filed and the response asserts sufficient grounds for denial of a judgment awarding possession, the court shall hold a hearing, if requested.

Cross reference: See Rule 2-311 (f), providing that the court may not render a decision that is dispositive of a claim or defense without a hearing if a hearing was requested as provided in that section.

(e) Residential Property; Notice and Affidavit

After entry of a judgment awarding possession of residential property as defined in Rule 14-202 (q), but before executing on the judgment, the purchaser shall:

(1) send by first-class mail the notice required by Code, Real Property Article, § ~~7-105.9 (d)~~ 7-105.11 (d) addressed to "All Occupants" at the address of the property; and

(2) file an affidavit that the notice was sent.

Cross reference: Rule 2-647 (Enforcement of Judgment Awarding Possession).

Source: This Rule is derived in part from the 2008 version of former Rule 14-102 and is in part new.



REPORTER'S NOTE

Subsections (a)(3) and (d)(3)(B) of Rule 14-102 are proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.6 as § 7-105.8 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).

Subsection (e)(1) of Rule 14-102 is proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.9 as § 7-105.11 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-202 by deleting references to repealed statutory provisions, by updating statutory references, and by revising a Committee note following section (t), as follows:

Rule 14-202. DEFINITIONS

. . .

(b) Borrower

"Borrower" means:

- (1) a mortgagor;
- (2) a grantor of a deed of trust;
- (3) any person liable for the debt secured by the lien;
- (4) a maker of a note secured by an indemnity deed of trust;
- (5) a purchaser under a land installment contract; and
- (6) a person whose property is subject to a lien under Code,

Real Property Article, Title 14, Subtitle 2 (Maryland Contract Lien Act); ~~and~~.

~~(7) a leasehold tenant under a ground lease, as defined in Code, Real Property Article, § 8-402.3 (a) (6).~~

. . .

(g) Foreclosure Mediation

(1) Generally

"Foreclosure mediation" means a conference at which the parties in a foreclosure action, their attorneys, additional representatives of the parties, or a combination of those persons appear before an impartial individual to discuss the positions of the parties in an attempt to reach agreement on a loss mitigation program for the mortgagor or grantor.

Committee note: This is the definition stated in Code, Real Property Article, § 7-105.1 (a)~~(3)~~(4). Code, Real Property Article, §§ 7-105.1 (d), (k), (l), (m), and (n) require that the foreclosure mediation be conducted by the Office of Administrative Hearings.

(2) Prefile Mediation

"Prefile mediation" means foreclosure mediation that occurs in accordance with Code, Real Property Article, § 7-105.1 (d) before the date on which the order to docket or complaint to foreclose is filed.

(3) Postfile Mediation

"Postfile mediation" means foreclosure mediation that occurs in accordance with Code, Real Property Article, § 7-105.1(j) after the date on which the order to docket or complaint to foreclose is filed.

. . .

(i) Lien Instrument

"Lien instrument" means any instrument creating or authorizing the creation of a lien on property, including:

- (1) a mortgage;
- (2) a deed of trust;
- (3) a land installment contract, as defined in Code, Real Property Article, § ~~10-101(b)~~ 10-101 (c);

(4) a contract creating a lien pursuant to Code, Real Property Article, Title 14, Subtitle 2;

- (5) a deed or other instrument reserving a vendor's lien; or
- (6) an instrument creating or authorizing the creation of a lien in favor of a homeowners' association, a condominium council of unit owners, a property owners' association, or a community association.

. . .

(s) Secured Party

"Secured party" means any person who has an interest in property secured by a lien or any assignee or successor in interest to that person. The term includes:

- (1) a mortgagee;
- (2) the holder of a note secured by a deed of trust or indemnity deed of trust;
- (3) a vendor under a land installment contract or holding a vendor's lien;
- (4) a person holding a lien under Code, Real Property

Article, Title 14, Subtitle 2;

(5) a condominium council of unit owners;

(6) a homeowners' association; and

(7) a property owners' or community association; and.

~~(8) a ground lease holder, as defined in Code, Real Property Article, § 8-402.3 (a)(3).~~

The term does not include a secured party under Code, Commercial Law Article, § 9-102 (a)(3)(74).

(t) Statutory Lien

"Statutory lien" means a lien on property created by a statute providing for foreclosure in the manner specified for the foreclosure of mortgages, ~~including a lien created pursuant to Code, Real Property Article, § 8-402.3 (d).~~

Committee note: Liens created pursuant to Code, Real Property Article, Title 14, Subtitle 2 (Maryland Contract Lien Act) are to be foreclosed "in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust." See Code, Real Property Article, § 14-204 (a). ~~A lien for ground rent in arrears created pursuant to Code, Real Property Article, § 8-402.3 (d) is to be foreclosed "in the same manner and subject to the same requirements, as the foreclosure of a mortgage or deed of trust containing neither a power of sale nor an assent to decree." See Code, Real Property Article, § 8-402.3 (n).~~

Source: This Rule is derived in part from the 2008 version of former Rule 14-201 (b) and is in part new.

REPORTER'S NOTE

Subsection (b)(7), subsection (s)(8), and the last clause in section (t) are proposed to be deleted from Rule 14-202 because Code, Real Property Article, § 8-402.3, relating to the

foreclosure of ground rents, was repealed by Chapter 428, 2015 Laws of Maryland (HB 511).

The Committee note following Section (g) is amended to correct the citation to the definition of "foreclosure mediation" set forth in Code, Real Property Article, § 7-105.1 (a) (4).

Subsection (i) (3) is amended to correct the citation to the definition of "land installment contract" set forth in Code, Real Property Article, § 10-101 (c).

The last sentence in section (s) is amended to correct the citation to the definition of "secured party" set forth in Code, Commercial Law Article, § 9-102(a) (74).

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-205, by updating a statutory reference in the cross reference following section (c), as follows:

Rule 14-205. CONDITIONS PRECEDENT TO THE FILING OF AN ACTION

. . .

(c) Land Installment Contract

(1) Notice

An action to foreclose a land installment contract on property other than residential property may not be filed until at least 30 days after the secured party has served written notice on the borrower, the record owner of the property, and, if different, the person in possession at the address of the property. The notice shall describe the default with particularity and state that foreclosure proceedings will be filed on or after a designated day, not less than 30 days after service of the notice, unless the default is cured prior to that day.

(2) Method of Service

The secured party shall serve the notice required by subsection (1) of this section by (A) certified and first-class

mail to the last known address of the person or (B) personal delivery to the person or to a resident of suitable age and discretion at the dwelling house or usual place of abode of the person.

Cross reference: For the definition of "land installment contract," see Code, Real Property Article, § ~~10-101(b)~~ 10-101 (c).

Source: This Rule is derived in part from the 2008 version of Rule 14-203(a) and is in part new.

REPORTER'S NOTE

In Rule 14-205, the cross reference following subsection (c)(2) is proposed to be amended to correct the citation to the definition of "land installment contract" set forth in Code, Real Property Article, § 10-101 (c).



MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-206 by updating statutory references and by revising a Committee note following section (a), as follows:

Rule 14-206. PETITION FOR IMMEDIATE FORECLOSURE AGAINST RESIDENTIAL PROPERTY

(a) Right to File

A secured party may file a petition to be excused from the time and notice requirements of Code, Real Property Article, § 7-105.1 (b) and (c) and Rule 14-205 (b) and for leave to file an action for immediate foreclosure of a lien against residential property if:

(1) the debt secured by the lien instrument was obtained by fraud or deception;

(2) no payments have ever been made on the debt;

(3) the property subject to the lien has been destroyed;

(4) the default occurred after all stays have been lifted in a bankruptcy proceeding; or

(5) the property subject to the mortgage or deed of trust is property that is vacant and abandoned as provided under Code, Real Property Article, § ~~7-105.14~~ 7-105.18.

Committee note: Notice and hearing procedures for filing a petition for leave to immediately commence an action for foreclosure of a lien against vacant and abandoned property are different than the procedures for filing a petition for other expedited foreclosure proceedings. See Code, Real Property Article, § ~~7-105.14 (b)~~ 7-105.18 (b) for the notice and hearing procedures pertaining to vacant and abandoned property and (c) for the criteria required to make a finding that a property is vacant and abandoned.

. . .

Source: This Rule is new.

REPORTER'S NOTE

Subsection (a)(5) of Rule 14-206 and the Committee note following that subsection are proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.14 as § 7-105.18 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-207 by updating the statutory reference in the cross reference following section (c), as follows:

Rule 14-207. PLEADINGS; SERVICE OF CERTAIN AFFIDAVITS, PLEADINGS, AND PAPERS

. . .

(c) When a Certificate of Vacancy or a Certificate of Property Unfit for Human Habitation Has Been Filed

If the property is residential property and the order to docket or complaint to foreclose is based on a certificate of vacancy or a certificate of property unfit for human habitation, the order to docket or complaint to foreclose shall be accompanied by a copy of the certificate and by the exhibits required by subsections (b)(1) through (b)(5) of this Rule.

Cross reference:

Cross reference: See Code, Real Property Article, § ~~7-105.11~~ 7-105.13.

. . .

Source: This Rule is derived in part from the 2008 version of former Rule 14-204(a) and (c) and is in part new.

REPORTER'S NOTE

The cross reference following section (c) of Rule 14-207 is proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.11 as § 7-105.13 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-207.1 to update references in section (c) from Rules 2-541 (i) and 2-542 (i) to Rules 16-807 (b) and 16-808 (b), respectively, as follows:

Rule 14-207.1. COURT SCREENING

. . .

(c) Special Magistrates or Examiners

The court may designate one or more qualified Maryland lawyers to serve as a part-time special magistrate or examiner to screen pleadings and papers under section (a) of this Rule, conduct proceedings under section (b) of this Rule, and make appropriate recommendations to the court. Subject to section (d) of this Rule, the costs and expenses of the special magistrate or examiner may be assessed against one or more of the parties pursuant to Code, Courts Article, § 2-102(c), ~~Rule 2-541(i), or Rule 2-542(i)~~ Rule 16-807 (b), or Rule 16-808 (b). With his or her consent, the special magistrate or examiner may serve on a pro bono basis.

. . .

Source: This Rule is new.

REPORTER'S NOTE

The Rules Committee proposes amending Rule 14-207.1 (c) to correct references to the Rules that pertain to assessing costs and expenses related to the appointment of a special magistrate or special examiner to a party in litigation as costs.

Section (c) of Rule 14-207.1 currently references Rule 2-541 (i) and Rule 2-542 (i) for the ability to assess costs incurred by retaining a special magistrate or examiner, respectively. These references are obsolete. Provisions relating to assessing special magistrate or special examiner expenses as costs of litigation against a party currently are set forth in Rules 16-807 (b) and 16-808 (b), respectively. Therefore, the Committee recommends amending the references in section (c) of this Rule from Rule 2-541 (i) and Rule 2-542 (i) to Rule 16-807 (b) and Rule 16-808 (b), respectively.

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-208.1 by updating the statutory reference in section (a), as follows:

Rule 14-208.1. CHALLENGE OF CERTIFICATE OF VACANCY OR  
CERTIFICATE OF PROPERTY UNFIT FOR HUMAN HABITATION

(a) Right to Challenge

If the record owner or occupant has been served with an order to docket or complaint to foreclose that does not comply with the requirements of Code, Real Property Article, § 7-105.1, and a certificate of vacancy or certificate of property unfit for human habitation issued to a secured party pursuant to Code, Real Property Article, § ~~7-105.11~~ 7-105.13 is relied upon by the secured party to excuse compliance with those requirements, the record owner or occupant of a property may challenge the certificate in accordance with this Rule.

. . .

Source: This Rule is new.

REPORTER'S NOTE

Section (a) of Rule 14-207 is proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.11 as § 7-105.13 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).



MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-209 by updating the statutory references in sections (a), (c), and (d), as follows:

Rule 14-209. SERVICE IN ACTIONS TO FORECLOSE ON RESIDENTIAL PROPERTY; NOTICE

(a) Service on Borrower and Record Owner by Personal Delivery

When an action to foreclose a lien on residential property is filed, the plaintiff shall serve on the borrower and the record owner a copy of all papers filed to commence the action, accompanied (1) by the documents required by Code, Real Property Article, § 7-105.1 (h) and (2) if the action to foreclose is based on a certificate of vacancy or a certificate of property unfit for human habitation issued pursuant to Code, Real Property Article, § ~~7-105.11~~ 7-105.13, by a copy of the certificate and a description of the procedure to challenge the certificate. Except as otherwise provided by section (b) of this Rule, service shall be by personal delivery of the papers or by leaving the papers with a resident of suitable age and discretion at the dwelling house or usual place of abode of each person served.

Cross reference: For the required form and sequence of documents, see Code, Real Property Article, § 7-105.1 (h)(1) and COMAR 09.03.12.01 et seq.

. . .

(c) Notice to All Occupants by First-Class Mail

When an action to foreclose on residential property is filed, the plaintiff shall send by first-class mail addressed to "All Occupants" at the address of the property the notice required by Code, Real Property Article, § ~~7-105.9~~ 7-105.11 (b).

(d) If Notice Required by Local Law

When an action to foreclose on residential property is filed with respect to a property located within a county or a municipal corporation that, under the authority of Code, Real Property Article, ~~former § 14-126~~ 7-105.3 (c), has enacted a local law that was in effect as of October 1, 2012 requiring notice of the commencement of a foreclosure action, the plaintiff shall give the notice in the form and manner required by the local law. If the local law does not provide for the manner of giving notice, the notice shall be sent by first-class mail.

. . .

Source: This Rule is derived in part from the 2008 version of former Rule 14-204 (b) and is in part new.

REPORTER'S NOTE

Chapter 93, 2019 Laws of Maryland (HB 107) renumbered many provisions in Code, Real Property Article, §§ 7-105 and 14-126. The Rules Committee proposes the following conforming amendments to sections (a), (c), and (d) of Rule 14-209.

Section (a) is amended to conform to the renumbering of Code, Real Property Article, § 7-105.11 as § 7-105.13.

Section (c) is amended to conform to the renumbering of Code, Real Property Article, § 7-105.9 as § 7-105.11.

Section (d) is amended to conform to the renumbering of Code, Real Property Article, § 14-126 as § 7-105.3.

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-210 by updating the statutory reference in section (b), as follows:

Rule 14-210. NOTICE PRIOR TO SALE

. . .

(b) By Certified and First-class Mail

Before selling the property subject to the lien, the individual authorized to make the sale shall also send notice of the time, place, and terms of sale (1) by certified mail and by first-class mail to (A) the borrower, (B) the record owner of the property, (C) the holder of any subordinate interest in the property subject to the lien, and (D) a condominium or homeowners association that, at least 30 days before the date of the proposed sale, has recorded a statement of lien against the property under the Maryland Contract Lien Act and (2) by first-class mail to "All Occupants" at the address of the property. The notice to "All Occupants" shall be in the form and contain the information required by Code, Real Property Article, § ~~7-105.9~~ 7-105.11 (c). Except for the notice to "All Occupants," the mailings shall be sent to the last known address of all such

persons, including to the last address reasonably ascertainable from a document recorded, indexed, and available for public inspection 30 days before the date of the sale. The mailings shall be sent not more than 30 days and not less than ten days before the date of the sale.

. . .

Source: This Rule is derived in part from the 2008 version of former Rule 14-206 (b) and is in part new.

REPORTER'S NOTE

Rule 14-210 (b) is proposed to be amended to conform to the renumbering of Code, Real Property Article, § 7-105.9 as § 7-105.11 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107).

MARYLAND RULES OF PROCEDURE

TITLE 14 - SALES OF PROPERTY

CHAPTER 200 - FORECLOSURE OF LIEN INSTRUMENTS

AMEND Rule 14-215 by updating statutory references and changing the name of the "Department of Labor, Licensing, and Regulation" to the "Commissioner of Financial Regulation" in the cross reference following section (c), as follows:

Rule 14-215. POST-SALE PROCEDURES

. . .

(c) Conveyance to Purchaser

(1) When Made

After the court has finally ratified a sale and the purchase money has been paid, the individual making the sale shall convey the property to the purchaser or the purchaser's assignee. If the conveyance is to the purchaser's assignee, the purchaser shall join in the deed.

(2) Under Power of Sale--When Vendor and Purchaser Are the Same

If the individual making a sale and the purchaser at a sale made pursuant to a power of sale are the same person, the court shall appoint in the order of ratification a trustee to convey the property to the purchaser after payment of the purchase money. The trustee need not furnish a bond unless the

court so provides in its order.

(3) To Substituted Purchaser

At any time after the sale and before a conveyance, the court, upon ex parte application and consent of the purchaser, substituted purchaser, and individual making the sale, may authorize the conveyance to be made to a substituted purchaser.

Cross reference: For a purchaser's obligation to notify the supervisor of assessments for the county in which the residential property is located of the ratification of the foreclosure sale, see Code, Real Property Article, § ~~7-105.12~~ 7-105.16. For requirements relating to registration by foreclosure purchasers with the Foreclosed Property Registry of the ~~Department of Labor, Licensing, and Regulation~~ Commissioner of Financial Regulation, see Code, Real Property Article, § ~~14-126.1~~ 7-105.14. For an alternate method to take possession of residential real property when the person claiming a right to possession of the property by the terms of a foreclosure sale or court order does not have a court-ordered writ of possession executed by a sheriff or constable, see Code, Real Property Article, § 7-113 ~~(e)(1)~~ (b)(2)(ii).

Source: This Rule is derived from the 2008 version of former Rule 14-207 (d), (e), and (f).

REPORTER'S NOTE

The cross reference following section (c) of Rule 14-215 is proposed to be amended to: (1) conform to the renumbering of Code, Real Property Article, § 7-105.12 as § 7-105.16 and Code, Real Property Article, § 14-126.1 as § 7-105.14 as set forth in Chapter 93, 2019 Laws of Maryland (HB 107); (2) change the reference to the "Department of Labor, Licensing, and Regulation" to the "Commissioner of Financial Regulation" as set forth in Chapter 93, 2019 Laws of Maryland (HB 107); and (3) correct the citation to the statutory authority for a person seeking possession of property without a court-ordered writ from Code, Real Property Article, § 7-113 (c)(1) to § 7-113(b)(2)(ii).

MARYLAND RULES OF PROCEDURE  
TITLE 1 - GENERAL PROVISIONS  
CHAPTER 300 - GENERAL PROVISIONS

AMEND Rule 1-303 by adding a reference to Rule 5-603 and "by other law" to the exception clause at the beginning of the Rule, and by adding to the cross reference following the Rule, as follows:

Rule 1-303. FORM OF OATH

Except as provided in Rule 1-333 (c) (3), in Rule 5-603, or by other law, whenever an oral oath is required by rule or law, the person making oath shall solemnly swear or affirm under the penalties of perjury that the responses given and statements made will be the whole truth and nothing but the truth. A written oath shall be in a form provided in Rule 1-304.

Cross reference: For the oath made by a court interpreter, see Rule 1-333(c) (3). For an oath administered in special circumstances where diminished capacity may be a concern, such as when a child or mentally disabled person is called to testify, see Rule 5-603.

Source: This Rule is derived from former Rules 5 c and 21 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 5-603.



MARYLAND RULES OF PROCEDURE  
TITLE 1 - GENERAL PROVISIONS  
CHAPTER 300 - GENERAL PROVISIONS

AMEND Rule 1-304 by deleting the language "foregoing paper" and replacing it with the language "this document" and by expanding the Committee note, as follows:

Rule 1-304. FORM OF AFFIDAVIT

The statement of the affiant may be made before an officer authorized to administer an oath or affirmation, who shall certify in writing to having administered the oath or taken the affirmation, or may be made by signing the statement in one of the following forms:

Generally

"I solemnly affirm under the penalties of perjury that the contents of ~~the foregoing paper~~ this document are true to the best of my knowledge, information, and belief."

Personal Knowledge

"I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of ~~the foregoing paper~~ this document are true."

Committee note: In this Rule, the term "this document" includes a separate document to which an attached affidavit is intended to apply. This Rule is not intended to abrogate the additional requirements for summary judgment set forth in Rule 2-501.

Source: This Rule is derived from former Rule 5 c.

REPORTER'S NOTE

The Maryland Judicial Council's Court Access and Community Relations Committee has recommended that the language "foregoing paper" contained in Rule 1-304 be replaced with "this document."

One of the goals of the Court Access and Community Relations Committee and its Self-Represented Litigant Subcommittee is to promote the use of plain language, which will help self-represented litigants. In furtherance of this goal, the Rules Committee concurs with and recommends the suggested amendments to Rule 1-304.

MARYLAND RULES OF PROCEDURE

TITLE 5 - EVIDENCE

CHAPTER 600 - WITNESSES

AMEND Rule 5-603 by adding a Committee note concerning testimony by an individual where diminished capacity is a concern and by adding to the cross reference following the Rule, as follows:

Rule 5-603. OATH OR AFFIRMATION

Before testifying, a witness shall be required to declare that the witness will testify truthfully. The declaration shall be by oath or affirmation administered either in the form specified by Rule 1-303 or, in special circumstances, in some other form of oath or affirmation calculated to impress upon the witness the duty to tell the truth.

Committee note: In special circumstances where diminished capacity may be a concern, such as when a child or a mentally disabled person is called to testify, the trial court may deviate from the form of oath specified by Rule 1-303. Before administering the oath, the trial court first must find that the individual with diminished capacity is competent to testify, based upon the four essential requirements set forth in *Perry v. State*, 381 Md. 138, 149 (2004): "(1) capacity for observation; (2) capacity for recollection; (3) capacity for communication, including ability 'to understand questions put and to frame and express intelligent answers;' and, (4) a sense of moral responsibility to tell the truth" (citing 2 Wigmore, Evidence §506 (Chadbourn rev. 1979)).

Cross reference: For the oath made by a court interpreter, see Rule 1-333 (c)(3). For the general rule of competency, see Rule

5-601. For an attorney's responsibilities concerning a client's diminished capacity, see Rule 19-301.14.

Source: This Rule is derived from former F.R.Ev. Rule 603.

REPORTER'S NOTE

The Deputy State Court Administrator submitted to the Rules Committee a request that an oath for children be included in the Maryland Rules. Upon review of various legal treatises, rules and statutes in other states, Maryland statutes (e.g., Code, Courts Article, §9-103), and Maryland case law (e.g., *Perry v. State*, 381 Md. 138 (2004) and *Jones v. State*, 410 Md. 691 (2009)), it became apparent that an attempt to add a one-size-fits-all "child oath" to Rule 1-303 would be futile.

The Rules Committee concluded that, in lieu of a "child oath," it would be helpful to provide some guidance to trial judges when making a determination regarding the competency of a child or other individual with diminished capacity who is called to testify as a witness. Proposed amendments to Rules 5-603 and 1-303 are intended to provide that guidance.

MARYLAND RULES OF PROCEDURE

TITLE 2 - CIVIL PROCEDURE - CIRCUIT COURT

CHAPTER 600 - JUDGMENT

AMEND Rule 2-633 by conforming it to proposed new Rule 2-634, as follows:

Rule 2-633. DISCOVERY IN AID OF ENFORCEMENT

(a) Methods

Except as otherwise provided in Rule 2-634, a A ...

. . .

REPORTER'S NOTE

Rule 3-633 is proposed to be amended to conform to proposed new Rule 3-634.

MARYLAND RULES OF PROCEDURE

TITLE 2 - CIVIL PROCEDURE - CIRCUIT COURT

CHAPTER 600 - JUDGMENT

ADD new Rule 2-634, as follows:

Rule 2-634. JUDGMENT DEBTOR FACT INFORMATION SHEET

(a) Entry of Money Judgment against an Individual

(1) Notice by Clerk

Upon entry of a money judgment against an individual, the clerk shall provide or send to the judgment debtor a Notice substantially in the following form:

NOTICE

You may receive a form from the plaintiff or the plaintiff's attorney requesting information under oath about you, your employment, and your assets, liabilities, income, and expenses. You do not have to complete and return that form, but if you fail to do so within the time allowed, you may be summoned to appear and undergo an examination under oath before a judge or examiner regarding those matters. If you fully complete and return the completed Fact Information Sheet within the time allowed, you will not be subject to discovery in aid of enforcement for at least one year from the entry of the judgment

against you, unless the judgment creditor has been granted leave of court for good cause shown.

Committee note: This Notice may accompany or be included in the copy of the judgment that the clerk sends to the judgment debtor pursuant to Rule 1-324.

(2) Request by Judgment Creditor

Subject to section (c) of this Rule, no earlier than 10 days after entry of a money judgment, a judgment creditor may obtain discovery in aid of enforcement of a money judgment against an individual by sending to the judgment debtor a Fact Information Sheet substantially in the form approved by the State Court Administrator. The judgment creditor may not modify the approved form to request additional information, but may delete from the form categories of information sought. The Fact Information Sheet shall include a request that the judgment debtor complete the document and return the completed document to the judgment creditor at the address stated in the Form no later than 30 days after the date the form was mailed or otherwise delivered to the judgment debtor.

(b) Fact Information Sheet

(1) Content

The Fact Information Sheet may elicit information pertaining to the income, expenses, assets, and liabilities of the judgment debtor, shall be under oath, and shall include:

(A) An advisement that: (i) the judgment debtor is not required to complete and return the form, but if the debtor fails to do so within the time specified, the debtor may be summoned to appear and undergo an examination before a judge or examiner regarding the debtor's income, expenses, assets, and liabilities; and (ii) if the judgment debtor fully completes and returns the completed Fact Information Sheet within the time allowed, the debtor will not be subject to discovery in aid of enforcement for at least one year from the entry of the judgment against the debtor unless the judgment creditor has been granted leave of court for good cause shown; and

(B) Information about web-based and in-person resources available to assist self-represented judgment debtors with completion of the Fact Information Sheet and other post-judgment matters.

(2) Posting

The form and content of the Fact Information Sheet approved by the State Court Administrator shall be posted on the Judiciary website.

(3) If the form requests, and the judgment debtor supplies, the judgment debtor's Social Security Number, financial account information, or tax return copies, the judgment creditor shall keep that information confidential and not disclose it to any other person except to the extent necessary to pursue collection



efforts authorized by law to collect the judgment or any other judgment against the same individual owed to that judgment creditor.

(c) Other Discovery in Aid of Enforcement

If a judgment debtor who is an individual fully completes a Fact Information Sheet and transmits the completed document to the judgment creditor within the time specified in the Fact Information Sheet, the judgment creditor may not obtain discovery in aid of enforcement by any method listed in Rule 2-633 (a) unless:

(1) at least one year has elapsed after entry of the judgment, or

(2) if less than one year has elapsed, the judgment creditor, for good cause shown, has been granted leave of court to obtain the discovery.

Source: This Rule is new.

REPORTER'S NOTE

Proposed new Rules 2-634 and 3-634 are loosely based upon post-judgment "Fact Information Sheet" procedures in Florida and "Financial Disclosure Form" procedures in Minnesota. The goal of the new Rules is to provide a simplified method for conveying relevant post-judgment information about judgment debtors to judgment creditors that reduces the number of body attachments issued when judgment debtors fail to comply with court-ordered methods of discovery in aid of enforcement under Rules 2-633 and 3-633.

Under the proposed new Rules, upon entry of a money judgment against an individual, the clerk provides notice to the judgment debtor that the judgment creditor may be sending a form [a "Fact Information Sheet"] requesting the judgment debtor to provide certain information under oath.

The Fact Information Sheet must be substantially in the form approved by the State Court Administrator and posted on the Judiciary website, except the judgment creditor may modify the form by deleting from the form categories of information sought.

Although Florida and Minnesota use the "stick" of contempt of court to compel completion of their post-judgment forms by judgment debtors, the Rules Committee recommends encouraging completion of the Maryland Fact Information Sheet by using the "carrot" of preclusion of other methods of discovery in aid of enforcement for a period of one year after entry of the judgment.

If the judgment debtor fully completes the Fact Information Sheet and transmits it to the judgment creditor within 30 days after the form was mailed or otherwise delivered to the judgment debtor, the judgment creditor may not employ other methods of discovery in aid of enforcement for a period of one year after entry of the judgment, unless the judgment creditor, for good cause shown, obtains leave of court.

Subsection (b)(3) of the Rule requires the judgment creditor to maintain the confidentiality of Social Security numbers, financial account information, and tax return copies, "except to the extent necessary to pursue collection efforts authorized by law to collect the judgment or any other judgment against the same individual owed to that judgment creditor."

Because of the complexity of discovery in aid of enforcement that often is attendant to judgments against corporations and other persons that are not individuals, the Subcommittee recommends limiting the new procedure to judgment debtors who are individuals.

Conforming amendments to Rules 2-633 and 3-633 are also proposed.

MARYLAND RULES OF PROCEDURE

TITLE 3 - CIVIL PROCEDURE - DISTRICT COURT

CHAPTER 600 - JUDGMENT

AMEND Rule 3-633 by conforming it to proposed new Rule 3-634, as follows:

Rule 3-633. DISCOVERY IN AID OF ENFORCEMENT

(a) Methods

Except as otherwise provided in Rule 3-634, a A ...

. . .

REPORTER'S NOTE

Rule 3-633 is proposed to be amended to conform to proposed new Rule 3-634.

MARYLAND RULES OF PROCEDURE

TITLE 3 - CIVIL PROCEDURE - DISTRICT COURT

CHAPTER 600 - JUDGMENT

ADD new Rule 3-634, as follows:

Rule 3-634. JUDGMENT DEBTOR FACT INFORMATION SHEET

(a) Entry of Money Judgment against an Individual

(1) Notice by Clerk

Upon entry of a money judgment against an individual, the clerk shall provide or send to the judgment debtor a Notice substantially in the following form:

NOTICE

You may receive a form from the plaintiff or the plaintiff's attorney requesting information under oath about you, your employment, and your assets, liabilities, income, and expenses. You do not have to complete and return that form, but if you fail to do so within the time allowed, you may be summoned to appear and undergo an examination under oath before a judge or examiner regarding those matters. If you fully complete and return the completed Fact Information Sheet within the time allowed, you will not be subject to discovery in aid of enforcement for at least one year from the entry of the judgment

against you, unless the judgment creditor has been granted leave of court for good cause shown.

Committee note: This Notice may accompany or be included in the copy of the judgment that the clerk sends to the judgment debtor pursuant to Rule 1-324.

(2) Request by Judgment Creditor

Subject to section (c) of this Rule, no earlier than 10 days after entry of a money judgment, a judgment creditor may obtain discovery in aid of enforcement of a money judgment against an individual by sending to the judgment debtor a Fact Information Sheet substantially in the form approved by the State Court Administrator. The judgment creditor may not modify the approved form to request additional information, but may delete from the form categories of information sought. The Fact Information Sheet shall include a request that the judgment debtor complete the document and return the completed document to the judgment creditor at the address stated in the Form no later than 30 days after the date the form was mailed or otherwise delivered to the judgment debtor.

(b) Fact Information Sheet

(1) Content

The Fact Information Sheet may elicit information pertaining to the income, expenses, assets, and liabilities of the judgment debtor, shall be under oath, and shall include:

(A) An advisement that: (i) the judgment debtor is not required to complete and return the form, but if the debtor fails to do so within the time specified, the debtor may be summoned to appear and undergo an examination before a judge or examiner regarding the debtor's income, expenses, assets, and liabilities; and (ii) if the judgment debtor fully completes and returns the completed Fact Information Sheet within the time allowed, the debtor will not be subject to discovery in aid of enforcement for at least one year from the entry of the judgment against the debtor unless the judgment creditor has been granted leave of court for good cause shown; and

(B) Information about web-based and in-person resources available to assist self-represented judgment debtors with completion of the Fact Information Sheet and other post-judgment matters.

(2) Posting

The form and content of the Fact Information Sheet approved by the State Court Administrator shall be posted on the Judiciary website.

(3) If the form requests, and the judgment debtor supplies, the judgment debtor's Social Security Number, financial account information, or tax return copies, the judgment creditor shall keep that information confidential and not disclose it to any other person except to the extent necessary to pursue collection

efforts authorized by law to collect the judgment or any other judgment against the same individual owed to that judgment creditor.

(c) Other Discovery in Aid of Enforcement

If a judgment debtor who is an individual fully completes a Fact Information Sheet and transmits the completed document to the judgment creditor within the time specified in the Fact Information Sheet, the judgment creditor may not obtain discovery in aid of enforcement by any method listed in Rule 3-633 (a) unless:

(1) at least one year has elapsed after entry of the judgment, or

(2) if less than one year has elapsed, the judgment creditor, for good cause shown, has been granted leave of court to obtain the discovery.

Source: This Rule is new.

REPORTER'S NOTE

Proposed new Rules 2-634 and 3-634 are loosely based upon post-judgment "Fact Information Sheet" procedures in Florida and "Financial Disclosure Form" procedures in Minnesota. The goal of the new Rules is to provide a simplified method for conveying relevant post-judgment information about judgment debtors to judgment creditors that reduces the number of body attachments issued when judgment debtors fail to comply with court-ordered methods of discovery in aid of enforcement under Rules 2-633 and 3-633.

Under the proposed new Rules, upon entry of a money judgment against an individual, the clerk provides notice to the judgment debtor that the judgment creditor may be sending a form [a "Fact Information Sheet"] requesting the judgment debtor to provide certain information under oath.

The Fact Information Sheet must be substantially in the form approved by the State Court Administrator and posted on the Judiciary website, except the judgment creditor may modify the form by deleting from the form categories of information sought.

Although Florida and Minnesota use the "stick" of contempt of court to compel completion of their post-judgment forms by judgment debtors, the Rules Committee recommends encouraging completion of the Maryland Fact Information Sheet by using the "carrot" of preclusion of other methods of discovery in aid of enforcement for a period of one year after entry of the judgment.

If the judgment debtor fully completes the Fact Information Sheet and transmits it to the judgment creditor within 30 days after the form was mailed or otherwise delivered to the judgment debtor, the judgment creditor may not employ other methods of discovery in aid of enforcement for a period of one year after entry of the judgment, unless the judgment creditor, for good cause shown, obtains leave of court.

Subsection (b)(3) of the Rule requires the judgment creditor to maintain the confidentiality of Social Security numbers, financial account information, and tax return copies, "except to the extent necessary to pursue collection efforts authorized by law to collect the judgment or any other judgment against the same individual owed to that judgment creditor."

Because of the complexity of discovery in aid of enforcement that often is attendant to judgments against corporations and other persons that are not individuals, the Subcommittee recommends limiting the new procedure to judgment debtors who are individuals.

Conforming amendments to Rules 2-633 and 3-633 are also proposed.



MARYLAND RULES OF PROCEDURE

TITLE 7 - APPELLATE AND OTHER JUDICIAL REVIEW IN CIRCUIT COURT  
CHAPTER 200 - JUDICIAL REVIEW OF ADMINISTRATIVE AGENCY DECISIONS

AMEND Rule 7-206.1 by adding to subsection (c)(2) a requirement that the moving party show good cause for the court, on *de novo* review of a Worker's Compensation Commission decision, to order that all or part of the Commission record be prepared and filed, as follows:

Rule 7-206.1. RECORD--JUDICIAL REVIEW OF DECISION OF THE WORKERS' COMPENSATION COMMISSION

(a) Applicability

This Rule applies only in an action for judicial review of a decision of the Workers' Compensation Commission.

(b) If Review Is on the Record

Subject to section (d) of this Rule, Rule 7-206 governs the preparation and filing of the record if judicial review of an issue is on the record of the Commission.

(c) If No Issue Is to Be Reviewed on the Record

If no issue is to be reviewed on the record of the Commission:

(1) a transcript of the proceedings before the Commission shall be prepared in accordance with Rule 7-206(b), included in

the Commission's record of the proceeding, and made available to all parties electronically in the same manner as other Commission documents;

(2) the transcript and all other portions of the record of the proceedings before the Commission shall not be transmitted to the circuit court unless the court, on motion of a party for good cause shown or on the court's own initiative, enters an order requiring the preparation and filing of all or part of the record in accordance with the provisions of Rule 7-206 and section (d) of this Rule; and

(3) regardless of whether the record or any part of the record is filed with the court, payment for and the timing of the preparation of the transcript shall be in accordance with Rule 7-206(b), (d), and (e).

Committee note: Section (c) of this Rule does not preclude a party from obtaining from the Commission a transcript of testimony or copies of other parts of the record upon payment by the party of the cost of the transcript or record excerpt.

(d) Electronic Transmission

If the Commission is required by section (b) of this Rule or by order of court to transmit all or part of the record to the court, the Commission may file electronically if the court to which the record is transmitted is the circuit court for an "MDEC county" as defined in Rule 20-101 (o).

Cross reference: See Code, Labor and Employment Article, § 9-739.

Source: This Rule is new.

REPORTER'S NOTE

At the suggestion of the General Counsel for the Workers' Compensation Commission, the Rules Committee recommends that Rule 7-206.1 (c)(2) be amended to require the moving party to show good cause for the court to order that all or part of the Commission record be filed with the circuit court sitting in *de novo* review of a Commission decision.

MARYLAND RULES OF PROCEDURE

TITLE 16 - COURT ADMINISTRATION

CHAPTER 700 - MISCELLANEOUS JUDICIAL UNITS

DELETE Rule 16-703 in its entirety, as follows:

~~Rule 16-703. MARYLAND PROFESSIONALISM CENTER~~

~~(a) Existence~~

~~There is a Maryland Professionalism Center, which exists as a unit of the Maryland Judiciary.~~

~~(b) General Purposes and Mission~~

~~The general purposes and mission of the Maryland Professionalism Center are:~~

~~(1) to implement the professionalism policies adopted by the Court of Appeals;~~

~~(2) to examine ways of promoting professionalism among Maryland judges, judicial appointees and personnel, and attorneys and to encourage them to exercise the highest level of professional integrity in their relationship with each other, the courts, and the public and fulfill their obligations to improve the law and the legal system; and~~

~~(3) to help ensure that the practice of law remains a high calling focused on serving clients, promoting the proper administration of justice, and furthering the public good.~~

~~—(c)—Duties~~

~~To carry out its purposes, the Maryland Professionalism Center shall:~~

~~—(1) develop and refine mechanisms to advance professionalism as an important core value of the legal profession and the legal process;~~

~~—(2) design a professionalism website and gather and maintain on it information that will serve as a resource on professionalism for judges, judicial appointees and personnel, attorneys, and the public;~~

~~—(3) monitor professionalism efforts and developments in other states;~~

~~—(4) monitor and attempt to coordinate professionalism efforts by the various segments of the Maryland legal and judicial community—the Bar, the courts, the law schools, and attorneys and law firms—with particular emphasis on professionalism training in the law schools;~~

~~—(5) monitor the efforts of the Maryland State Bar Association and other bar associations in the State in carrying out the mandate of the Court of Appeals with respect to the advancement of professionalism;~~

~~—(6) publicly acknowledge judges, judicial appointees and personnel, and attorneys for particularly commendable acts of professionalism;~~

~~—— (7) administer the New Bar Admittees' Mentoring Program; and~~

~~—— (8) recognize the efforts of attorneys engaged in the Mentoring Program.~~

~~—— (d) Board of Directors~~

~~—— (1) Membership~~

~~The Maryland Professionalism Center shall be governed by a Board of Directors, to consist of (A) a judge of the Court of Appeals, who shall serve as Chair; (B) a judge of the Court of Special Appeals; (C) a judge of a circuit court; (D) a judge of the District Court; (E) the Dean of the University of Maryland School of Law, or the Dean's designee; (F) the Dean of the University of Baltimore School of Law, or the Dean's designee; and (G) seven practicing members of the Maryland Bar, one from each judicial circuit, giving due regard to ethnic, gender, and experiential diversity.~~

~~—— (2) Appointment~~

~~The members of the Board shall be appointed by the Chief Judge of the Court of Appeals.~~

~~—— (3) Terms~~

~~—— (A) The judge of the Court of Appeals serves at the pleasure of the Chief Judge;~~

~~—— (B) The term of the other judges shall be three years or during the incumbency of the individual as a judge of the court~~

~~upon which the individual was serving at the time of appointment, whichever is shorter.~~

~~———— (C) The term of the Deans' designees shall be three years or during the incumbency of the individual in the capacity in which the individual serves at the law school, whichever is shorter.~~

~~———— (D) The term of the other members shall be three years.~~

~~———— (E) Of the initial appointees, four shall be appointed for an initial term of three years, four shall be appointed for an initial term of two years, and four shall be appointed for an initial term of one year, in order that the terms shall remain staggered. At the end of a term, a member may continue to serve until a successor is appointed.~~

~~———— (F) With the approval of the Chief Judge, the Chair may remove a member prior to the expiration of the member's term and appoint from the same category of membership a successor for the remainder of the unexpired term.~~

~~———— (G) (i) Subject to subsection (d) (3) (C) (ii) of this Rule, a member may be reappointed.~~

~~(ii) The period of consecutive service by a member other than the Chair shall be not more than two consecutive terms, except that, if the member was appointed to fill the unexpired term of a former member, the period of consecutive~~

~~service also may include the remainder of the term of the former member.~~

~~—— (4) Secretary~~

~~The Chair shall appoint one of the members of the Board to serve as Secretary, at the pleasure of the Chair. The Secretary shall take minutes of the meetings of the Board and perform other duties related to the work of the Board as may be directed by the Chair.~~

~~—— (5) Compensation~~

~~The members of the Board shall serve without compensation but shall be reimbursed for expenses in connection with travel related to the work of the Center in accordance with the approved budget of the Center.~~

~~—— (6) Vice Chair; Committees~~

~~The Chair may appoint a Vice Chair and committees of the Board.~~

~~—— (7) Meetings~~

~~The Board shall meet at least twice each year, at the call of the Chair.~~

~~—— (8) Quorum~~

~~Seven members of the Board shall constitute a quorum for the transaction of business.~~

~~—— (9) Duties~~



~~The Chair, in collaboration with the Board, shall provide managerial oversight of the policies, programs, operations, and personnel of the Maryland Professionalism Center and prepare and transmit to the State Court Administrator and the Chief Judge of the Court of Appeals a proposed annual budget for the Center. Preparation of the budget and all procurement and personnel decisions shall be in conformance with standards and guidelines promulgated by the State Court Administrator.~~

~~Cross reference: See Rule 16-801 (b).~~

~~(c) Personnel~~

~~(1) Appointment~~

~~The Chair of the Board of Directors may appoint personnel for the Center as authorized in the approved budget of the Center.~~

~~(2) Advisors~~

~~The Chair may invite persons to provide advice to and participate in the work of the Center. Unless funds are available in the approved budget of the Center for that purpose, service by those persons shall be without compensation.~~

~~(f) Funding~~

~~Funding for the Center shall be solely as provided in the annual judicial budget, except that funds obtained by the Center from other sources prior to that date may be used as~~

~~authorized by the Board of Directors for the purposes and duties of the Center set forth in this Rule.~~

~~Source: This Rule is derived from former Rule 16-407 (2016).~~

REPORTER'S NOTE

The Rules Committee has been advised that all activities of the Maryland Professionalism Center have ended and that the unspent funds of the Center have been transferred to the Attorney Grievance Disciplinary Fund pursuant to an Administrative Order of the Court of Appeals dated October 17, 2019. Accordingly, the Rules Committee recommends that Rule 16-703 be deleted in its entirety.

MARYLAND RULES OF PROCEDURE

TITLE 18 - JUDGES AND JUDICIAL APPOINTEES

CHAPTER 200 - MARYLAND CODE OF CONDUCT FOR JUDICIAL APPOINTEES

AMEND Rule 18-203.11 by adding new subsection (b)(2) to permit District Court Commissioners to engage in certain outside employment under certain circumstances and by making stylistic changes, as follows:

Rule 18-203.11. FINANCIAL, BUSINESS, OR REMUNERATIVE ACTIVITIES

(a) A judicial appointee may hold and manage investments of the judicial appointee and members of the judicial appointee's family.

(b) Except as permitted by Rule 18-203.7, a full-time judicial appointee shall not serve as an officer, director, manager, general partner, advisor, or employee of any business entity except that

(1) a judicial appointee may manage or participate in:

~~(1)~~ (A) a business closely held by the judicial appointee or members of the judicial appointee's family; or

~~(2)~~ (B) a business entity primarily engaged in investment of the financial resources of the judicial appointee or members of the judicial appointee's family; and

(2) a District Court Commissioner may serve as a part-time employee of a business entity if (A) upon full and accurate

disclosure by the Commissioner of the nature of the employment, including the time expected to be devoted to it and the expected compensation to be received, the employment is approved by the Chief Judge of the District Court; and (B) the employment is not in conflict with section (c) of this Rule. Approval of part-time employment pursuant to this subject may be revoked by the Chief Judge at any time for good cause.

(c) A judicial appointee shall not engage in financial activities permitted under sections (a) or (b) of this Rule if they will:

(1) interfere with the proper performance of the judicial appointee's official duties;

(2) lead to frequent disqualification of the judicial appointee;

(3) involve the judicial appointee in frequent transactions or continuing business relationships with attorneys or other persons likely to come before the appointing court; or

(4) result in violation of other provisions of this Code.

COMMENT

[1] Judicial appointees are generally permitted to engage in financial activities, including managing real estate and other investments for themselves or for members of their families. Participation in these activities, like participation in other extra-official activities, is subject to the requirements of this Code. For example, it would be improper for a judicial appointee to spend so much time on business activities that it interferes with the performance of the judicial appointee's

official duties. See Rule 18-202.1. Similarly, it would be improper for a judicial appointee to use his or her official title or conduct his or her business or financial affairs in such a way that disqualification is frequently required. See Rules 18-201.3 and 18-202.11.

[2] As soon as practicable without serious financial detriment, the judicial appointee must divest himself or herself of investments and other financial interests that might require frequent disqualification or otherwise violate this Rule.

Source: This Rule is derived from former Rule 3.11 of Rule 16-814 (2016).

REPORTER'S NOTE

The Rules Committee proposes amending Rule 18-203.11 by adding subsection (b)(2), permitting District Court Commissioners, in certain circumstances and subject to approval by the Chief Judge of the District Court, to engage in outside employment.

A District Court Commissioner is a judicial appointee under Rule 18-200.3 (a)(2).

Except for family businesses and investment activities, judicial appointees, including District Court Commissioners, are prohibited by Rule 18-203.11 (b) from engaging in employment outside the Judiciary.

The Rules Committee has been advised that Commissioners are required to work shift work, that recent changes to the law have resulted in an increased workload without a commensurate increase in salary, and that the inability of the Commissioners to supplement their incomes with jobs not related to their work in the Judiciary has caused issues with retention of experienced Commissioners.

Upon the request of the Director of Commissioners, concurred in by the Chief Judge of the District Court, the Rules Committee proposes amending Rule 18-203.11 by adding new subsection (b)(2), permitting a District Court Commissioner to serve as a part-time employee of a business entity, subject to the approval of the Chief Judge of the District Court, provided that full disclosure of the nature of the employment is made and

the employment is not in conflict with section (c) of this Rule.

MARYLAND RULES OF PROCEDURE

TITLE 18 - JUDGES AND JUDICIAL APPOINTEES

CHAPTER 400 - JUDICIAL DISABILITIES AND DISCIPLINE

DIVISION 5. FILING OF CHARGES; PROCEEDINGS BEFORE COMMISSION

AMEND Rule 18-437 by adding language to subsection (f)(1)(A) authorizing certain discipline to be imposed upon a judge, by adding to the required contents of an order of suspension a statement of the duration of the suspension and whether the suspension is subject to any conditions precedent to reinstatement, by substituting the word "compensation" for the word "pay" in subsection (f)(2), by adding a Committee note after subsection (f)(2), by providing that the procedures set forth in Rule 18-438 apply in monitoring compliance with any directives contained in an order of suspension, and by making stylistic changes; as follows:

RULE 18-437. PROCEEDINGS IN COURT OF APPEALS

(a) Expedited Consideration

Upon receiving the hearing record file pursuant to Rule 18-435, the Clerk of the Court of Appeals shall docket the case for expedited consideration.

(b) Exceptions

The judge may except to the findings, conclusions, or recommendation of the Commission by filing exceptions with the Court of Appeals within 30 days after service of the notice of filing of the record and in accordance with Rule 20-405. The exceptions shall set forth with particularity all errors allegedly committed by the Commission and the disposition sought. A copy of the exceptions shall be served on the Commission in accordance with Rules 1-321 and 1-323.

(c) Response

The Commission shall file a response within 15 days after service of the exceptions in accordance with Rule 20-405. The Commission shall be represented in the Court of Appeals by its Executive Secretary or such other attorney as the Commission may appoint. A copy of the response shall be served on the judge in accordance with Rules 1-321 and 1-323.

(d) Memoranda

If exceptions are timely filed, upon the filing of a response or, if no response is filed, upon the expiration of the time for filing it, the Court may set a schedule for filing memoranda in support of or in opposition to the exceptions and any response and shall set a date for a hearing.

(e) Hearing

The hearing on exceptions shall be conducted in accordance with Rule 8-522. If no exceptions are timely filed or if the



judge files with the Court a written waiver of the judge's right to a hearing, the Court may decide the matter without a hearing.

(f) Disposition

(1) The Court of Appeals may (A) impose the disposition recommended by the Commission or any other disposition permitted by law, including an order directing the judge to undergo specified evaluations, participate meaningfully in specified therapeutic, educational, or behavior modification programs, and to make a written apology to specified persons or groups of persons harmed by the judge's misconduct; (B) dismiss the proceeding; or (C) remand for further proceedings as specified in the order of remand.

(2) If the disposition includes a suspension of the judge from his or her judicial duties, the order imposing the suspension shall state the duration of the suspension, which may be indefinite or for a fixed period, and whether the suspension (A) is to be with or without pay compensation, (B) is to be served on consecutive dates, ~~and~~ (C) prohibits the judge from conducting any official business during the period of suspension and may establish parameters or conditions governing the judge's presence in any courthouse location, and (D) is subject to any conditions precedent to reinstatement.

Committee note: A judge who has been suspended from the performance of judicial duties does not cease to be a judge by

reason of the suspension and remains subject to the Code of Judicial Conduct. Any violation of the Code of Judicial Conduct during the period of suspension may subject the judge to additional charges.

Cross reference: For rights and privileges of the judge after disposition, see Md. Const., Art. IV, § 4B (b).

(g) Order

The decision shall be evidenced by an order of the Court of Appeals, which shall be certified under the seal of the Court by the Clerk. An opinion shall accompany the order or be filed at a later date. Unless the case is remanded to the Commission, the record shall be retained by the Clerk of the Court of Appeals.

(h) Compliance with Conditions

If, pursuant to subsection (f)(1) of this Rule, the Court directs the judge to take certain actions, whether as a condition to reinstatement following a suspension or otherwise, the procedures for monitoring compliance with those directives shall be as set forth in Rule 18-438.

~~(h)~~(i) Confidentiality

All proceedings in the Court of Appeals related to charges of disability or impairment shall be confidential and remain under seal unless otherwise ordered by the Court of Appeals.

~~(i)~~(j) Public Inspection

Subject to section (h) or any other shielding of confidential material by the Court of Appeals, the Court shall permit public inspection of the record filed with it.

Source: This Rule is derived in part from former Rule 18-408 (2018) and is in part new.

REPORTER'S NOTE

Several amendments to Rule 18-437 are recommended by the Rules Committee.

Proposed amendments to subsection (f)(1)(A) clarify that discipline may include a requirement that the judge perform specific actions, such as undergoing evaluations, attending counseling or educational sessions, or tendering a written apology to individuals found to have been harmed by the judge's misconduct.

In subsection (f)(2), the word "pay" is replaced with the word "compensation." Additional amendments to subsection (f)(2) require that an order imposing a suspension state the duration of the suspension and whether the suspension is subject to any conditions precedent to reinstatement. A Committee note is added after subsection (f)(2) clarifying that a judge may be subject to additional discipline for conduct during the judge's suspension because the judge remains subject to the Code of Judicial Conduct even while serving a suspension.

New section (h) provides that the procedures in Rule 18-438 apply in monitoring compliance with any directives contained in an order imposing suspension on a judge pursuant to subsection (f)(1) of this Rule.

Stylistic changes also are made.

MARYLAND RULES OF PROCEDURE

TITLE 18 - JUDGES AND JUDICIAL APPOINTEES

CHAPTER 400 - JUDICIAL DISABILITIES AND DISCIPLINE

DIVISION 6. SPECIAL PROCEEDINGS

AMEND Rule 18-442, by changing the title of the Rule; by providing that, under certain circumstances, an order of interim suspension may be entered against a judge who has willfully failed to take remedial action ordered by the Court of Appeals; by adding a Committee note after section (b) concerning the payment of compensation to a judge during an interim suspension; by clarifying that administrative leave pursuant to section (c) is with compensation; by adding to section (c) certain circumstances under which a judge may be placed on administrative leave; by requiring written notice by the Commission before an order is entered under section (b) or (c); and by making stylistic changes, as follows:

Rule 18-442. INTERIM SUSPENSION; ~~OR ADMINISTRATIVE LEAVE UPON~~  
~~INDICTMENT~~

(a) Definition

In this Rule, "serious crime" means a crime (A) that constitutes a felony, (B) that reflects adversely on the judge's honesty, trustworthiness, or fitness as a judge, or (C) as

determined by its statutory or common law elements, involves interference with the administration of justice, false swearing, misrepresentation, fraud, deceit, bribery, extortion, misappropriation, theft, or an attempt or conspiracy to commit such a crime.

(b) Interim Suspension

~~Upon notice by the Commission that a judge has been indicted for a serious crime and a recommendation by the Commission, the~~ The Court of Appeals may immediately place the a judge on interim suspension pending further order of the Court upon written notice by the Commission that (1) the judge has been indicted for a serious crime, or (2) as a result of a disciplinary proceeding or a finding of impairment, the judge was ordered by the Court to take certain remedial action or to refrain from certain action or conduct and, after a hearing or the opportunity for a hearing, the Commission found that the judge willfully violated that order. An order of interim suspension under this section does not preclude other proceedings or sanctions against the judge.

Committee note: An interim suspension under section (b) of this Rule may be with or without compensation, in whole or in part as directed by the Court of Appeals.

(c) Administrative Leave

The Court of Appeals may place a judge on interim administrative leave with compensation pending further order of

the Court ~~Upon~~ upon written notice by the Commission that a (1)  
after the filing of charges against the judge and a hearing or  
the opportunity for a hearing, the Commission has found that (A)  
the judge has a disability or is impaired and, at least  
temporarily, is unable to perform properly the duties of  
judicial office, or (B) the judge has committed sanctionable  
conduct warranting a suspension or removal from office, or (2)  
the judge has been charged by indictment or criminal information  
with ~~other~~ criminal misconduct for which incarceration is a  
permissible penalty and poses a substantial threat of serious  
harm to the public, to any person, or to the administration of  
justice, ~~the Court of Appeals may place the judge on interim~~  
~~administrative leave pending further order of the Court.~~

(d) Reconsideration

A judge placed on interim suspension or administrative  
leave may move for reconsideration.

Source: This Rule is new.

REPORTER'S NOTE

The Rules Committee recommends several amendments to Rule  
18-442 pertaining to interim suspension and interim  
administrative leave.

In section (b), language is added that permits a judge to  
be placed on interim suspension when the judge has willfully  
failed to take remedial action ordered by the Court of Appeals.

A Committee note following section (b) notes that the

Court of Appeals may direct that an interim suspension be served with or without compensation.

Amendments to section (c) expand the list of circumstances under which a judge may be placed on administrative leave and clarify that administrative leave pursuant to the section is with compensation.

Clarifying amendments to sections (b) and (c) require that notices given by the Commission to the Court of Appeals under those sections must be in writing.

Stylistic changes are also made.

MARYLAND RULES OF PROCEDURE

TITLE 8 - APPELLATE REVIEW IN THE COURT OF APPEALS AND COURT OF  
SPECIAL APPEALS

CHAPTER 400 - PRELIMINARY PROCEDURES

AMEND Rule 8-411 to correct an internal reference in  
subsection (a)(2), as follows:

Rule 8-411. TRANSCRIPT

(a) Ordering of Transcript

Unless a copy of the transcript is already on file, the  
appellant shall order in writing from the court reporter a  
transcript containing:

(1) a transcription of (A) all the testimony or (B) that  
part of the testimony that the parties agree, by written  
stipulation filed with the clerk of the lower court, is  
necessary for the appeal or (C) that part of the testimony  
ordered by the Court pursuant to Rule 8-206 (c) or directed by  
the lower court in an order;

(2) a transcription of any proceeding relevant to the appeal  
that was recorded pursuant to Rule ~~16-502~~ 16-503 (b); and

(3) if relevant to the appeal and in the absence of a  
written stipulation by all parties to the contents of the



recording, a transcription of any audio or audiovisual recording or portion thereof offered or used at a hearing or trial.

. . .

REPORTER'S NOTE

An amendment to Rule 8-411 is proposed to correct an internal reference in subsection (a)(2). The incorrect reference is to Rule 16-502 (b), which pertains to the recording of proceedings in the District Court. The corrected reference is to Rule 16-503 (b), which pertains to the recording of proceedings in a circuit court.

MARYLAND RULES OF PROCEDURE

TITLE 8 - APPELLATE REVIEW IN THE COURT OF APPEALS AND COURT OF  
SPECIAL APPEALS

CHAPTER 500 - RECORD EXTRACT, BRIEFS, AND ARGUMENT

AMEND Rule 8-502 by adding subsection (a)(9) permitting informal briefing in the Court of Special Appeals under certain circumstances, by adding a Committee note following subsection (a)(9), by making clarifying and stylistic changes to subsection (b)(1), and by adding subsection (b)(2) modifying procedures pertaining to extensions of time to file briefs in the Court of Special Appeals, as follows:

Rule 8-502. FILING OF BRIEFS

(a) Duty to File; Time

Unless otherwise ordered by the appellate court:

(1) Appellant's Brief

No later than the date specified in the notice sent by the appellate clerk pursuant to Rule 8-412(c), an appellant other than a cross-appellant shall file a brief conforming to the requirements of Rule 8-503.

(2) Appellee's Brief

Within 30 days after the filing of the appellant's brief, the appellee shall file a brief conforming to the requirements of Rule 8-503.

(3) Appellant's Reply Brief

The appellant may file a reply brief not later than the earlier of 20 days after the filing of the appellee's brief or ten days before the date of scheduled argument.

Cross reference: The meaning of subsection (a)(3) is in accordance with *Heit v. Stansbury*, 199 Md. App. 155 (2011).

(4) Cross-Appellant's Brief

An appellee who is also a cross-appellant shall include in the brief filed pursuant to subsection (2) of this section the issues and arguments on the cross-appeal as well as the response to the brief of the appellant, and shall not file a separate cross-appellant's brief.

(5) Cross-Appellee's Brief

Within 30 days after the filing of that brief, the appellant/cross-appellee shall file a brief in response to the issues and argument raised on the cross-appeal and shall include any reply to the appellee's response that the appellant wishes to file.

(6) Cross-Appellant's Reply Brief

The appellee/cross-appellant may file a reply to the cross-appellee's response within 20 days after the filing of the

cross-appellee's brief, but in any event not later than ten days before the date of scheduled argument.

(7) Multiple Appellants or Appellees

In an appeal involving more than one appellant or appellee, including actions consolidated for purposes of the appeal, any number of appellants or appellees may join in a single brief.

(8) Court of Special Appeals Review of Discharge for Unconstitutionality of Law

No briefs need be filed in a review by the Court of Special Appeals under Code, Courts Article, § 3-706.

(9) Informal Briefing in the Court of Special Appeals

For cases in which at least one party is self-represented, the Chief Judge of the Court of Special Appeals, by administrative order, may authorize informal briefing in one or more categories of appeals in that Court. The administrative order shall: (A) list the categories of appeals to which it applies, (B) state the protocols to be followed, including protocols to remove a case from informal briefing by stipulation of the parties or order of the Court, and (C) promulgate forms to be used. The administrative order shall be posted on the Judiciary website, and paper copies of it shall be available to the public in the Office of the Clerk of the Court of Special Appeals. A case designated for informal briefing is not subject

to the requirements of Rules 8-501 through 8-504, except to the extent a Rule is incorporated into the informal briefing protocols set forth in the administrative order.

Committee note: Informal briefing in the Court of Special Appeals is intended to provide meaningful review of issues raised by self-represented parties without requiring compliance with the technical requirements of Rules 8-501 through 8-504. Informal briefing does not preclude the Court from dismissing an appeal pursuant to Rule 8-602 for a reason other than failure to comply with a Rule made inapplicable by this Rule.

(b) Extension of Time.

(1) In the Court of Appeals

In the Court of Appeals, ~~The~~ the time for filing a brief may be extended by ~~(1)~~ (A) joint stipulation ~~of counsel~~ of the parties filed with the clerk so long as the appellant's brief and the appellee's brief are filed at least 30 days, and any reply brief is filed at least ten days, before the scheduled argument, or ~~(2)~~ (B) order of the ~~appellate court~~ Court entered on its own initiative or on motion filed pursuant to Rule 1-204.

(2) In the Court of Special Appeals

Subsection (b) (2) of this Rule governs extensions of time for filing briefs in the Court of Special Appeals.

(A) By Joint Stipulation

By joint stipulation filed with the clerk, the parties may extend the time for filing (i) a principal brief by no more than 30 days, or (ii) a reply brief, provided that the reply

brief will be filed at least ten days before argument or the date of submission on the brief.

(B) By Order of the Court

The court, on its own initiative or on motion filed pursuant to Rule 1-204, may extend the time for filing a brief. Absent urgent and previously unforeseeable circumstances, a motion shall be filed at least five days before the applicable due date. The motion shall: (1) state that the moving party has sought the consent of the other parties and whether each party consents to the extension, and (2) if the requested due date is more than 30 days after the original due date, identify good cause for the extension request.

(c) Filing and Service. In an appeal to the Court of Special Appeals, 15 copies of each brief and 10 copies of each record extract shall be filed, unless otherwise ordered by the court. Incarcerated or institutionalized parties who are self-represented shall file nine copies of each brief and nine copies of each record extract. In the Court of Appeals, 20 copies of each brief and record extract shall be filed, unless otherwise ordered by the court. Two copies of each brief and record extract shall be served on each party pursuant to Rule 1-321.

(d) Default. If an appellant fails to file a brief within the time prescribed by this Rule, the appeal may be dismissed pursuant to Rule 8-602 (c) (5). An appellee who fails to file a

brief within the time prescribed by this Rule may not present argument except with permission of the Court.

Source note: this Rule is derived from former Rules 1030 and 830 with the exception of subsection (a)(8) which is derived from the last sentence of former Rule Z56 and of subsection (b)(2) which is in part derived from Rule 833 and in part new.

REPORTER'S NOTE

The Rules Committee has been advised of two initiatives of the Court of Special Appeals: (1) creation of an informal briefing process, and (2) reduction of the amount of time between the filing of a Notice of Appeal and disposition of the appeal.

To implement the first initiative, the Committee recommends adding a new subsection (a)(9) to Rule 8-502 and a Committee note following the subsection. This will permit the Court of Special Appeals to proceed via informal briefing in certain types of appeals as authorized by administrative order of the Chief Judge of the Court of Special Appeals. The process contemplated by the Court of Special Appeals is modeled on the current informal briefing practice in the United States Court of Appeals for the Fourth Circuit. It will allow self-represented litigants to fill out a form designed to elicit the necessary information to enable the Court to decide an appeal based on its merits, rather than on a technical failure on the part of the appellant to comply with the briefing standards in Title 8 of the Rules. The Court retains the prerogative to require formal briefing from the parties should the circumstances of the appeal make this necessary.

With respect to the second initiative, and in conjunction with proposed amendments to Rules 8-504, 8-521, and 8-523, the Committee recommends amending Rule 8-502 by adding new subsection (b)(2). Subsection (b)(2), applicable only in the Court of Special Appeals, permits the parties to stipulate to one extension of time to file a principal brief. It also permits the parties to stipulate to one extension of time to file a reply brief, provided that the reply brief will be filed at least ten days before argument or the date of submission on the brief. Any additional extensions require the requesting party to file a motion and show good cause.

Clarifying and stylistic changes to subsection (b)(1) also are proposed.



MARYLAND RULES OF PROCEDURE

TITLE 8 - APPELLATE REVIEW IN THE COURT OF APPEALS AND COURT OF  
SPECIAL APPEALS

CHAPTER 500 - RECORD EXTRACT, BRIEFS, AND ARGUMENT

AMEND Rule 8-504 by adding new subsection (a)(8) to require that a brief filed in the Court of Special Appeals contain a statement as to whether the filing party requests oral argument and by renumbering existing subsections (a)(8) and (a)(9) as subsections (a)(9) and (a)(10), respectively, as follows:

Rule 8-504. CONTENTS OF BRIEF

(a) Contents

A brief shall comply with the requirements of Rule 8-112 and include the following items in the order listed:

(1) A table of contents and a table of citations of cases, constitutional provisions, statutes, ordinances, rules, and regulations, with cases alphabetically arranged. When a reported Maryland case is cited, the citation shall include a reference to the official Report.

Cross reference: Citation of unreported opinions is governed by Rule 1-104.

(2) A brief statement of the case, indicating the nature of the case, the course of the proceedings, and the disposition in the lower court, except that the appellee's brief shall not contain a statement of the case unless the appellee disagrees with the statement in the appellant's brief.

(3) A statement of the questions presented, separately numbered, indicating the legal propositions involved and the questions of fact at issue expressed in the terms and circumstances of the case without unnecessary detail.

(4) A clear concise statement of the facts material to a determination of the questions presented, except that the appellee's brief shall contain a statement of only those additional facts necessary to correct or amplify the statement in the appellant's brief. Reference shall be made to the pages of the record extract supporting the assertions. If pursuant to these rules or by leave of court a record extract is not filed, reference shall be made to the pages of the record or to the transcript of testimony as contained in the record.

Cross reference: Rule 8-111 (b).

(5) A concise statement of the applicable standard of review for each issue, which may appear in the discussion of the issue or under a separate heading placed before the argument.

(6) Argument in support of the party's position on each issue.

(7) A short conclusion stating the precise relief sought.

(8) In the Court of Special Appeals, a statement as to whether the party filing the brief requests oral argument.

~~(8)~~(9) The citation and verbatim text of all pertinent constitutional provisions, statutes, ordinances, rules, and regulations except that the appellee's brief shall contain only those not included in the appellant's brief.

~~(9)~~(10) If the brief is prepared with proportionally spaced type, the font used and the type size in points shall be stated on the last page.

Cross reference: For requirements concerning the form of a brief, see Rule 8-112.

(b) Appendix

(1) Generally

Unless the material is included in the record extract pursuant to Rule 8-501, the appellant shall reproduce, as an appendix to the brief, the pertinent part of every ruling, opinion, or jury instruction of each lower court that deals with points raised by the appellant on appeal. If the appellee believes that the part reproduced by the appellant is inadequate, the appellee shall reproduce, as an appendix to the appellee's brief, any additional part of the instructions or opinion believed necessary by the appellee.

(2) Appeals in Juvenile and Termination of Parental Rights Cases

In an appeal from an order relating to a child entered by a court exercising juvenile jurisdiction or from an order in a proceeding involving termination of parental rights, each appendix shall be filed as a separate volume and, unless otherwise ordered by the court, shall be filed under seal.

Committee note: Rule 8-501 (j) allows a party to include in an appendix to a brief any material that inadvertently was omitted from the record extract.

(c) Effect of Noncompliance

For noncompliance with this Rule, the appellate court may dismiss the appeal or make any other appropriate order with respect to the case, including an order that an improperly prepared brief be reproduced at the expense of the attorney for the party for whom the brief was filed.

Source: This Rule is derived as follows: Section (a) is derived from former Rules 831 c and d and 1031 c 1 through 5 and d 1 through 5, with the exception of subsection (a)(6) which is derived from FRAP 28 (a)(5). Section (b) is derived from former Rule 1031 c 6 and d 6. Section (c) is derived from former Rules 831 g and 1031 f.

REPORTER'S NOTE

At the request of the Court of Special Appeals, the Rules Committee recommends amending Rule 8-504 by adding a new subsection (a)(8) that requires a brief filed in that Court to contain a statement as to whether the filing party requests oral argument. The amendment is proposed to assist the Court in more efficiently managing its docket.

Current subsections (a)(8) and (a)(9) are renumbered as subsections (a)(9) and (a)(10), respectively.

MARYLAND RULES OF PROCEDURE

TITLE 8 - APPELLATE REVIEW IN THE COURT OF APPEALS AND COURT OF  
SPECIAL APPEALS

CHAPTER 500 - RECORD EXTRACT, BRIEFS, AND ARGUMENT

AMEND Rule 8-521 by adding new language concerning the scheduling of appeals in the Court of Special Appeals to section (a) as subsection (a)(2), by making stylistic changes to section (a), and by adding a cross reference following section (b), as follows:

Rule 8-521. ASSIGNMENT OF CASES

(a) Regular Order

(1) In the Court of Appeals

In the Court of Appeals, unless ~~Unless~~ advanced or postponed pursuant to this Rule, cases ordinarily will be assigned for successive sessions of the Court on the basis of their numerical order as they appear on the court docket, but the cases assigned for any session may be assigned for argument at that session without regard to their numerical order. Upon request of the Clerk, a party shall furnish an estimate of the time required for that party's argument. Argument shall be held on the day scheduled, unless postponed pursuant to this Rule.

(2) In the Court of Special Appeals

In the Court of Special Appeals, unless advanced or postponed pursuant to this Rule, cases ordinarily will be assigned to successive sessions of the Court after the record is complete and the appellee's brief has been filed or, if no appellee's brief has been filed, after the time for filing the appellee's brief has expired.

(b) Advancement or Postponement of Case

A case may be advanced or postponed on motion of a party or on the Court's own initiative. Argument will not be postponed because of the absence of an attorney or a self-represented party on either side unless the absence is caused by sickness or other sufficient cause. Unless briefs have already been filed, an order advancing argument shall fix the times for filing briefs.

Cross reference: See Rule 16-804 for the priority of courts in resolving conflicting case assignments.

Source: This Rule is derived in part from former Rules 1045 and 845 and is in part new.

REPORTER'S NOTE

The Rules Committee recommends amendments to Rule 8-521 that divide section (a) into two subsections.

Subsection (a)(1), which contains the same language as current section (a), pertains to the scheduling of appeals in

the Court of Appeals. Subsection (a)(1) leaves the current practice in the Court of Appeals unchanged.

Subsection (a)(2) is new. It pertains to the scheduling of appeals in the Court of Special Appeals only. The proposed amendment is requested by the Court of Special Appeals to assist in streamlining its processing of appeals by making the event that triggers the scheduling of oral argument the filing of the appellee's brief, rather than the Court's receipt of the record, which is the current practice. Currently, in many appeals before the Court of Special Appeals, especially criminal appeals, multiple extensions of time are required before the record is complete. The proposed change removes the need for many of these postponements, as the argument would not be scheduled until the record is complete and the appellee's brief is filed or, if no appellee's brief has been filed, the time for filing the appellee's brief has expired.

A cross reference to Rule 16-804, which pertains to the priority of courts in resolving conflicting case assignments, is proposed to be added after section (b).



MARYLAND RULES OF PROCEDURE

TITLE 8 - APPELLATE REVIEW IN THE COURT OF APPEALS AND COURT OF  
SPECIAL APPEALS

CHAPTER 500 - RECORD EXTRACT, BRIEFS, AND ARGUMENT

AMEND Rule 8-523 by adding language to subsection (a)(1) concerning the procedure to be followed to submit on brief, and by making stylistic changes to subsection (a)(1) as follows:

Rule 8-523. CONSIDERATION ON BRIEF

(a) Submission on Brief by Party

(1) In Court of Special Appeals

In the Court of Special Appeals, a party to a case the Court has scheduled for argument may submit ~~an appeal~~ for consideration on brief by ~~informing the Clerk and the other parties~~ filing a notice with the Clerk at least ten days prior to argument. Before filing a notice submitting on brief, a party shall attempt to ascertain whether any other parties to the appeal also will submit on brief and state the position of those other parties in the notice. The Court may require oral argument from either side or both sides, notwithstanding the submission on brief.

(2) In Court of Appeals

In the Court of Appeals a party may not submit an appeal for consideration on brief except with permission of the Court. A request to submit on brief shall be made in writing at least 15 days before argument.

(b) Directed by Court of Special Appeals

(1) When Directed

In the Court of Special Appeals, if all the judges of the panel to which an appeal has been assigned conclude, after the filing of the appellant's brief, that oral argument would not be of assistance to the Court because of the nature of the questions raised, the Court shall direct that the appeal be considered on brief without oral argument. The Clerk shall promptly mail notice to all parties that the Court has directed consideration of the appeal on brief.

(2) Request for Oral Argument

If pursuant to subsection (1) of this section the Court directs that an appeal be considered on brief without oral argument, any party may file a request for oral argument. The request shall be filed within ten days after the later of (A) the date the Clerk mails the notice required by subsection (1) of this section or (B) the date the appellee's brief is filed. If the Court grants the request for oral argument, the appeal shall be assigned for argument pursuant to Rule 8-521. Unless

the Court specifies otherwise in its order granting the request, oral argument shall be as provided in Rule 8-522.

Source: This Rule is derived from former Rules 846 d, 1047, and 1038.

REPORTER'S NOTE

The Rules Committee recommends amending Rule 8-523 to add language to subsection (a)(1) permitting a party to file a notice with the Clerk at least ten days prior to oral argument of the party's intention to submit on brief. The proposed new language requires that the filing party attempt to ascertain whether the other parties to the appeal intend to submit on brief and state the position of the other parties in the Notice.

# APPENDIX 1

## Chapter 284

**(House Bill 1065)**

AN ACT concerning

**Maryland Commercial Receivership Act**

FOR the purpose of authorizing a court to appoint a receiver under certain circumstances; providing that a certain mortgagee is entitled to appointment of a receiver; requiring a court to appoint a receiver under certain circumstances; authorizing a court to condition appointment of a receiver on the giving of certain security under certain circumstances; authorizing a court to appoint a certain person as an ancillary receiver for certain property; specifying certain requirements an ancillary receiver must meet; authorizing a court to issue a certain order; establishing the rights, powers, and duties of an ancillary receiver; prohibiting a court from appointing a certain person as a receiver; providing that a person is disqualified from appointment as a receiver under certain circumstances; authorizing a certain person to nominate a person to serve as receiver; specifying that a court is not bound by a certain nomination; authorizing a court to determine whether or not a receiver must post a certain bond or security with the court; providing that a certain bond may meet certain requirements; establishing the authority of a court that appoints a receiver under this Act; establishing the powers, duties, and rights of a receiver; requiring a certain claim submitted by a creditor to meet certain requirements; providing for the effectiveness of a certain assignment of a certain claim; requiring the court to respond to a certain claim and authorizing the court to order certain actions; requiring that a certain distribution of receivership property be made in a certain manner; prohibiting a receiver from engaging certain professionals without court approval; requiring a certain request to disclose certain information to the court; providing that a certain person is not disqualified from certain engagement under certain circumstances; authorizing a court to disqualify a certain person if the court makes a certain determination about a conflict of interest; providing that this Act does not prevent a receiver from serving in the receivership in a certain capacity; requiring a certain person or a receiver to file a certain itemized statement with the court; requiring a court to set a certain hearing under certain circumstances; authorizing a court to order a certain sale; providing that a certain transfer of property may be free and clear of a certain lien or other interest in the property under certain circumstances; providing that a certain lien or other interest attaches to certain proceeds in a certain manner; authorizing a certain purchase of property by a creditor under certain circumstances; providing that a certain reversal or modification of a certain order does not have certain effects; authorizing a court to condition assumption or rejection of a certain contract on certain terms and conditions; providing that a certain performance of a certain contract does not constitute a certain assumption or agreement or prevent a certain action; authorizing a court to order a receiver to assume or reject a certain contract under certain circumstances; providing that a certain obligation or liability must be treated in a certain manner; providing that a certain rejection of a certain contract shall be

effective at a certain time and treated in a certain manner; providing that a certain right to possess or use property shall terminate on rejection of a certain contract; requiring a certain claim for damages to be submitted before the later of the time for submitting a certain claim or a certain number of days after entry of a certain order; providing for the effects of a certain rejection of a certain contract; prohibiting a receiver from assuming or assigning a certain contract under certain circumstances; authorizing a receiver to assign a certain contract under certain circumstances; prohibiting a receiver from rejecting a certain lease under certain circumstances; providing that a certain entry of an order appointing a receiver shall operate as a stay of a certain act; authorizing a court to order a certain stay under certain circumstances; prohibiting a court from ordering a certain stay under certain circumstances; providing that certain matters are not stayed under certain circumstances; authorizing a certain person to apply to the court for relief from a stay under certain circumstances; providing for the termination of a certain stay under certain circumstances; authorizing a court to void a certain act and take certain actions against a person who violates a certain stay under certain circumstances; requiring a person who has certain possession, custody, or control of certain property to turn the property over to the receiver under certain circumstances; authorizing a certain creditor to retain possession, custody, or control of certain property under certain circumstances; providing that a certain person may not satisfy a certain debt in a certain manner; authorizing a court to sanction as civil contempt a certain failure; requiring a certain owner to take certain actions under certain circumstances; providing for the application of certain provisions of this Act regarding the duties of a certain owner; authorizing a court to take certain actions after a certain failure to perform a certain duty; providing that certain property is subject to a certain security agreement; providing that a certain request or application by a mortgagee does not have certain effects; requiring that a certain assignee for the benefit of creditors be treated as a certain receiver; requiring certain property to be treated in a certain manner; authorizing the court to issue a certain order under certain circumstances; requiring a certain motion to be served in a certain manner and on certain persons; ~~authorizing a certain party to file a certain appeal under certain circumstances and in a certain manner~~ authorizing a court to direct an entry of a final order under certain circumstances; establishing certain reporting requirements; authorizing a court to award certain fees and expenses and order a certain person to pay certain fees and expenses; providing that a receiver is entitled to certain defenses and immunities; requiring a person to receive certain approval from a court before taking certain actions; authorizing a court to remove a receiver under certain circumstances; requiring a court to replace a certain receiver; providing that a receiver is discharged under certain circumstances; requiring a receivership to terminate automatically under certain circumstances; authorizing a court to discharge a receiver and terminate the court's administration of the receivership under certain circumstances; repealing certain provisions of law regarding an assignee for the benefit of creditors; establishing a certain short title; providing for the application of this Act; defining certain terms; and generally relating to the Maryland Commercial Receivership Act.

BY repealing and reenacting, without amendments,  
Article – Commercial Law  
Section 15–101 and 15–102  
Annotated Code of Maryland  
(2013 Replacement Volume and 2018 Supplement)

BY repealing  
Article – Commercial Law  
Section 15–103  
Annotated Code of Maryland  
(2013 Replacement Volume and 2018 Supplement)

BY adding to  
Article – Commercial Law  
Section 24–101 through 24–801 to be under the new title “Title 24. Maryland  
Commercial Receivership Act”  
Annotated Code of Maryland  
(2013 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Corporations and Associations  
Section 3–416  
Annotated Code of Maryland  
(2014 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Commercial Law**

15–101.

(a) (1) For purposes of this section the following words, as used in federal bankruptcy laws, have the meanings indicated.

(2) “The case” means the assignment for the benefit of creditors proceeding or the receivership proceeding, whichever is applicable;

(3) “Commencement of the case” means commencement of the assignment for the benefit of creditors proceeding or receivership proceeding;

(4) “The court” means the court in which the assignment for the benefit of creditors proceeding or receivership proceeding is filed;

(5) “Date of the filing of the petition” means the date of the commencement of the assignment for the benefit of creditors proceeding or receivership proceeding;

(6) “Debtor” means the insolvent as that term is defined in subsection (b) of this section;

(7) (i) “The estate” means the estate that is created when an assignee for the benefit of creditors or a receiver of the assets of an insolvent is appointed;

(ii) “The estate” includes all property, assets, interests, and rights with respect to which the assignee or receiver is acting as a fiduciary;

(8) “Order for relief” means the order appointing the assignee for the benefit of creditors or the receiver of the assets of an insolvent;

(9) “Petition” means the pleading filed to commence the assignment for the benefit of creditors proceeding or receivership proceeding;

(10) “Trustee” means the assignee for the benefit of creditors or receiver of the assets of an insolvent; and

(11) Other words, including “insolvent” and “insider”, when used in federal bankruptcy law shall have the meanings set forth in the definition section of the federal bankruptcy law or as interpreted by the federal courts applying federal bankruptcy law.

(b) (1) In this section the following words have the meanings indicated.

(2) “Insolvent” means the assignor in an assignment for the benefit of creditors proceeding or the insolvent with respect to whose affairs a receiver has been appointed.

(3) “Judicial lien” means a lien obtained by judgment, levy, sequestration, or other legal or equitable process or proceeding.

(c) Any assignee for the benefit of creditors or receiver of the assets of an insolvent shall be vested with full title to all the property and assets of the insolvent and with full power to enforce obligations or liabilities in favor of the insolvent.

(d) All preferences, payments, transfers, and obligations made or suffered by the insolvent which are fraudulent, void, or voidable under any act of the Congress of the United States relating to bankruptcy are fraudulent, void, or voidable, respectively, under this subtitle to the same extent that they would be fraudulent, void, or voidable under applicable federal bankruptcy law.

(e) Any assignee for the benefit of creditors or receiver of the assets of an insolvent may set aside any:

(1) Fraudulent conveyance as defined in Subtitle 2 of this title; and



(2) Preference, payment, transfer, or obligation that is fraudulent, void, or voidable under subsection (d) of this section.

(f) Any assignee for the benefit of creditors or receiver of the assets of an insolvent has, as of the date of the commencement of the proceeding, the rights:

(1) Of a creditor that extends credit to the insolvent at the time of the commencement of the proceeding and that obtains, at such time and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien, whether or not such a creditor exists;

(2) Of a creditor that extends credit to the insolvent at the time of the commencement of the proceeding and obtains, at such time and with respect to such credit, an execution against the insolvent that is returned unsatisfied at such time, whether or not such a creditor exists;

(3) Of a bona fide purchaser of real property, other than fixtures, from the insolvent, against whom applicable law permits such transfer to be perfected, that obtains the status of a bona fide purchaser and has perfected such transfer at the time of the commencement of the proceeding, whether or not such a purchaser exists; and

(4) To avoid any preference, payment, transfer, or obligation that is fraudulent, void, or voidable under subsection (d) of this section.

15-102.

(a) (1) In this section the following words have the meanings indicated.

(2) "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, limited liability company, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(3) "Wages" means all remuneration paid to any employee for his employment, including the cash value of all remuneration paid in any medium other than cash.

(b) The property of an insolvent who makes an assignment for the benefit of creditors or who has his property taken by a receiver under a decree of a court in an insolvency proceeding shall be applied to the following, in the order stated:

(1) Costs and expenses of the administration of the trust or insolvency proceeding which the court approves;

(2) Wages of an employee and health, welfare, and pension contributions contracted for in place of wages, earned not more than three months before the assignment or institution of the insolvency proceeding;

(3) Lien claims of the State, a county, municipal corporation, or other political subdivision of the State perfected or recorded before the assignment or institution of the insolvency proceeding, and claims of persons having judicial liens on property of the insolvent recorded more than four months before the assignment or institution of the insolvency proceeding;

(4) Unsecured claims of individuals, to the extent of \$900 for each individual, arising from the deposit, before the commencement of the case, of money in connection with the purchase, lease, or rental of property, or the purchase of services, for the personal, family, or household use of the individuals, that were not delivered or provided;

(5) Rent for any interest in real property in the State due not more than three months before the execution of the assignment or institution of the insolvency proceeding;

(6) Charges in connection with the transportation of goods advanced by one common carrier to another on behalf of a consignor or consignee not more than three months before the assignment or institution of the insolvency proceeding;

(7) Taxes not included in paragraph (3) of this subsection; and

(8) Claims of unsecured creditors.

(c) For the purpose of subsection (b)(1) of this section, the landlord's claim for rent for any interest in real property in this State due not more than three months before the execution of the assignment or institution of the insolvency proceeding shall be considered a perfected lien on the distrainable property of the insolvent to the same extent as if distress for rent was levied by the landlord before the assignment or the institution of the insolvency proceeding.

[15-103.

(a) Title to property may not pass to an assignee for the benefit of creditors until the assignee files a bond as required by the Maryland Rules. If the assignee makes a sale before filing a bond, the sale is not valid and does not pass title to the property sold.

(b) If all other legal requirements were met, a conveyance made by an assignee for the benefit of creditors when two sureties on the bond were required is valid even though a bond was given with only one surety.

(c) A sale by an assignee for the benefit of creditors is not valid unless ratified by the court.]

**TITLE 24. MARYLAND COMMERCIAL RECEIVERSHIP ACT.**

**SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

**24-101.**

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "AFFILIATE" MEANS:

(1) WITH RESPECT TO AN INDIVIDUAL:

(I) THE SPOUSE OF THE INDIVIDUAL;

(II) A LINEAL ANCESTOR OR DESCENDANT, WHETHER BY BLOOD OR ADOPTION, OF:

1. THE INDIVIDUAL; OR

2. THE SPOUSE OF THE INDIVIDUAL;

(III) THE SPOUSE OF AN ANCESTOR OR A DESCENDANT DESCRIBED IN ITEM (II) OF THIS ITEM;

(IV) A SIBLING, AN AUNT, AN UNCLE, A GREAT AUNT, A GREAT UNCLE, A FIRST COUSIN, A NIECE, A NEPHEW, A GRANDNIECE, OR A GRANDNEPHEW OF THE INDIVIDUAL, WHETHER RELATED BY THE WHOLE OR THE HALF BLOOD OR ADOPTION, OR A SPOUSE OF ANY OF THE LISTED INDIVIDUALS; OR

(V) ANY OTHER INDIVIDUAL OCCUPYING THE RESIDENCE OF THE INDIVIDUAL; OR

(2) WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL:

(I) ANOTHER PERSON THAT, DIRECTLY OR INDIRECTLY, CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH THE PERSON;

(II) AN OFFICER, A DIRECTOR, A MANAGER, A MEMBER, A PARTNER, AN EMPLOYEE, OR A TRUSTEE OR ANY OTHER FIDUCIARY OF THE PERSON;  
OR

(III) A SPOUSE OF, OR AN INDIVIDUAL OCCUPYING THE RESIDENCE OF, AN INDIVIDUAL DESCRIBED IN ITEM (I) OR (II) OF THIS ITEM.

(C) "COUNTERPARTY" MEANS ANY OTHER PARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH THE OWNER.

(D) "COURT" MEANS THE COURT IN WHICH A RECEIVERSHIP IS FILED.

(E) "EXECUTORY CONTRACT" MEANS A CONTRACT, INCLUDING A LEASE, UNDER WHICH:

(1) THE OBLIGATIONS OF ALL PARTIES ARE NOT FULLY PERFORMED;  
AND

(2) THE FAILURE OF A PARTY TO COMPLETE PERFORMANCE OF THE PARTY'S OBLIGATIONS WOULD CONSTITUTE A MATERIAL BREACH.

(F) "GOVERNMENTAL UNIT" MEANS AN OFFICE, A DEPARTMENT, A DIVISION, A BUREAU, A BOARD, A COMMISSION, OR ANY OTHER UNIT OF THE STATE OR SUBDIVISION OF THE STATE.

(G) "INTELLECTUAL PROPERTY" MEANS, TO THE EXTENT PROTECTED BY APPLICABLE LAW:

(1) A TRADE SECRET;

(2) AN INVENTION, PROCESS, DESIGN, OR PLANT;

(3) A PATENT APPLICATION;

(4) A PLANT VARIETY;

(5) A WORK OF AUTHORSHIP;

(6) A MASK WORK; OR

(7) A TRADEMARK OR SERVICE MARK.

(H) "LIEN" MEANS AN INTEREST IN PROPERTY THAT SECURES PAYMENT OR PERFORMANCE OF AN OBLIGATION.

(I) "MASTER SERVICE LIST" MEANS THE LIST A RECEIVER IS REQUIRED TO FILE WITH THE COURT UNDER § 24-501(C) OF THIS TITLE.

(J) (1) "MORTGAGE" MEANS A RECORD, BY ANY TITLE, THAT CREATES OR PROVIDES FOR A CONSENSUAL LIEN ON REAL PROPERTY OR RENT, EVEN IF THE RECORD ALSO CREATES OR PROVIDES FOR A LIEN ON PERSONAL PROPERTY.

(2) "MORTGAGE" INCLUDES:

(I) AN INDEMNITY MORTGAGE;

(II) A DEED OF TRUST; AND

(III) AN INDEMNITY DEED OF TRUST.

(K) "MORTGAGEE" MEANS A PERSON ENTITLED TO ENFORCE AN OBLIGATION SECURED BY A MORTGAGE.

(L) "MORTGAGOR" MEANS A PERSON THAT GRANTS A MORTGAGE OR A SUCCESSOR IN OWNERSHIP OF THE REAL PROPERTY DESCRIBED IN THE MORTGAGE.

(M) "OWNER" MEANS THE PERSON FOR WHOSE PROPERTY OR BUSINESS A RECEIVER IS APPOINTED.

(N) "PERSON" INCLUDES AN INDIVIDUAL, AN ESTATE, A BUSINESS, A NONPROFIT ENTITY, A PUBLIC CORPORATION, A GOVERNMENTAL UNIT, AN INSTRUMENTALITY, AND ANY OTHER LEGAL ENTITY.

(O) "PROCEEDS" MEANS:

(1) WHATEVER IS ACQUIRED ON THE SALE, LEASE, LICENSE, EXCHANGE, OR OTHER DISPOSITION OF RECEIVERSHIP PROPERTY;

(2) WHATEVER IS COLLECTED ON, OR DISTRIBUTED ON ACCOUNT OF, RECEIVERSHIP PROPERTY;

(3) RIGHTS ARISING OUT OF RECEIVERSHIP PROPERTY;

(4) TO THE EXTENT OF THE VALUE OF RECEIVERSHIP PROPERTY, CLAIMS ARISING OUT OF THE LOSS, NONCONFORMITY, OR INTERFERENCE WITH THE USE OF, DEFECTS OR INFRINGEMENT OF RIGHTS IN, OR DAMAGE TO THE PROPERTY;  
OR

(5) TO THE EXTENT OF THE VALUE OF RECEIVERSHIP PROPERTY AND TO THE EXTENT PAYABLE TO THE OWNER OR MORTGAGEE, INSURANCE PAYABLE BY REASON OF:

(I) THE LOSS OR NONCONFORMITY OF THE PROPERTY;

(II) DEFECTS OR INFRINGEMENT OF RIGHTS IN THE PROPERTY;

OR

(III) DAMAGE TO THE PROPERTY.

(P) (1) "PROPERTY" MEANS ALL OF A PERSON'S RIGHT, TITLE, AND INTEREST, BOTH LEGAL AND EQUITABLE, IN REAL AND PERSONAL PROPERTY, TANGIBLE AND INTANGIBLE, WHEREVER LOCATED AND HOWEVER ACQUIRED.

(2) "PROPERTY" INCLUDES PROCEEDS, PRODUCTS, OFFSPRING, RENT, AND PROFITS OF OR FROM THE PROPERTY.

(3) "PROPERTY" DOES NOT INCLUDE:

(I) ANY POWER THAT THE OWNER MAY EXERCISE SOLELY FOR THE BENEFIT OF ANOTHER PERSON; OR

(II) PROPERTY IMPRESSED WITH A TRUST, EXCEPT TO THE EXTENT THAT THE OWNER HAS A RESIDUAL INTEREST.

(Q) "RECEIVER" MEANS A PERSON APPOINTED BY THE COURT UNDER § 24-201(A) OF THIS TITLE, AND SUBJECT TO THE COURT'S AUTHORITY, TO TAKE POSSESSION OF, MANAGE, AND, IF AUTHORIZED BY THIS TITLE OR COURT ORDER, TRANSFER, SELL, LEASE, LICENSE, EXCHANGE, COLLECT, OR OTHERWISE DISPOSE OF RECEIVERSHIP PROPERTY.

(R) "RECEIVERSHIP" MEANS A PROCEEDING IN WHICH A RECEIVER IS APPOINTED.

(S) (1) "RECEIVERSHIP PROPERTY" MEANS THE PROPERTY OR BUSINESS OF AN OWNER THAT IS DESCRIBED IN THE ORDER APPOINTING A RECEIVER OR A SUBSEQUENT ORDER.

(2) "RECEIVERSHIP PROPERTY" INCLUDES ANY PRODUCTS, OFFSPRING, PROFITS, AND PROCEEDS OF THE PROPERTY.

(T) "RECORD" MEANS INFORMATION THAT IS:

- (1) (I) WRITTEN ON A TANGIBLE MEDIUM; OR
  - (II) STORED ON AN ELECTRONIC OR ANY OTHER MEDIUM; AND
  - (2) RETRIEVABLE IN PERCEIVABLE FORM.
- (U) "RENT" MEANS:
- (1) A SUM PAYABLE FOR THE RIGHT TO POSSESS OR OCCUPY, OR FOR THE ACTUAL POSSESSION OR OCCUPATION OF, REAL PROPERTY OF ANOTHER PERSON;
  - (2) A SUM PAYABLE TO A MORTGAGOR OR AN OWNER UNDER A POLICY OF RENTAL-INTERRUPTION INSURANCE COVERING REAL PROPERTY;
  - (3) A CLAIM ARISING OUT OF A DEFAULT IN THE PAYMENT OF A SUM PAYABLE FOR THE RIGHT TO POSSESS OR OCCUPY REAL PROPERTY OF ANOTHER PERSON;
  - (4) A SUM PAYABLE TO TERMINATE AN AGREEMENT TO POSSESS OR OCCUPY REAL PROPERTY OF ANOTHER PERSON;
  - (5) A SUM PAYABLE TO A MORTGAGOR OR AN OWNER FOR PAYMENT OR REIMBURSEMENT OF EXPENSES INCURRED IN OWNING, OPERATING, AND MAINTAINING REAL PROPERTY, OR CONSTRUCTING OR INSTALLING IMPROVEMENTS ON REAL PROPERTY; OR
  - (6) ANOTHER SUM PAYABLE UNDER AN AGREEMENT RELATING TO THE REAL PROPERTY OF ANOTHER PERSON THAT CONSTITUTES RENT UNDER STATE LAW.
- (V) "SECURED OBLIGATION" MEANS AN OBLIGATION THE PAYMENT OR PERFORMANCE OF WHICH IS SECURED BY A SECURITY AGREEMENT.
- (W) "SECURITY AGREEMENT" MEANS AN AGREEMENT THAT CREATES OR PROVIDES FOR A LIEN ON REAL OR PERSONAL PROPERTY.
- (X) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR ADOPT A RECORD:
- (1) TO EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR
  - (2) TO ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC SOUND, A SYMBOL, OR A PROCESS.

**(Y) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, "STATE" MEANS:**

**(I) A STATE, POSSESSION, TERRITORY, OR COMMONWEALTH OF THE UNITED STATES; OR**

**(II) THE DISTRICT OF COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, OR ANY TERRITORY OR INSULAR POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.**

**(2) WHEN CAPITALIZED, "STATE" MEANS MARYLAND.**

**(Z) "TIMESHARE INTEREST" MEANS AN INTEREST THAT:**

**(1) HAS A DURATION OF MORE THAN 3 YEARS;**

**(2) GRANTS THE HOLDER OF THE INTEREST THE RIGHT TO USE AND OCCUPY AN ACCOMMODATION, A FACILITY, OR A RECREATIONAL SITE, WHETHER IMPROVED OR NOT; AND**

**(3) ENDURES FOR A SPECIFIC PERIOD THAT IS LESS THAN A FULL YEAR DURING ANY GIVEN YEAR.**

**24-102.**

**UNLESS DISPLACED BY A PARTICULAR PROVISION OF THIS TITLE, THE PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS TITLE.**

**24-103.**

**(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OR (C) OF THIS SECTION, THIS TITLE APPLIES TO:**

**(1) A RECEIVERSHIP FOR AN INTEREST IN REAL PROPERTY AND ANY PERSONAL PROPERTY THAT IS:**

**(I) RELATED TO THE REAL PROPERTY; OR**

**(II) USED IN OPERATING THE REAL PROPERTY;**

**(2) A RECEIVERSHIP ESTABLISHED UNDER § 3-411 OR § 3-415 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR**



(3) ANY OTHER RECEIVERSHIP IN WHICH A RECEIVER IS APPOINTED TO TAKE POSSESSION AND CONTROL OF ALL OR SUBSTANTIALLY ALL OF A PERSON'S PROPERTY WITH AUTHORITY TO LIQUIDATE THE PROPERTY AND, IN THE CASE OF A BUSINESS FOR WHICH THE RECEIVER IS APPOINTED, WIND UP THE AFFAIRS OF THE BUSINESS.

(B) THIS TITLE DOES NOT APPLY TO A RECEIVERSHIP FOR AN INTEREST IN REAL PROPERTY IMPROVED BY ONE TO FOUR DWELLING UNITS UNLESS:

(1) THE INTEREST IS USED FOR AGRICULTURAL, COMMERCIAL, INDUSTRIAL, OR MINERAL EXTRACTION PURPOSES, OTHER THAN INCIDENTAL USES BY AN OWNER OCCUPYING THE PROPERTY AS THE OWNER'S PRIMARY RESIDENCE;

(2) THE INTEREST SECURES AN OBLIGATION INCURRED AT A TIME WHEN THE PROPERTY WAS USED OR PLANNED FOR USE FOR AGRICULTURAL, COMMERCIAL, INDUSTRIAL, OR MINERAL EXTRACTION PURPOSES;

(3) THE OWNER PLANNED OR IS PLANNING TO DEVELOP THE PROPERTY INTO ONE OR MORE DWELLING UNITS TO BE SOLD OR LEASED IN THE ORDINARY COURSE OF THE OWNER'S BUSINESS; OR

(4) THE OWNER IS COLLECTING OR HAS THE RIGHT TO COLLECT RENT OR ANY OTHER INCOME FROM THE PROPERTY FROM A PERSON OTHER THAN AN AFFILIATE OF THE OWNER.

(C) THIS TITLE DOES NOT APPLY TO A RECEIVERSHIP AUTHORIZED BY A LOCAL LAW OR A STATE LAW OTHER THAN THIS TITLE IN WHICH THE RECEIVER IS A GOVERNMENTAL UNIT ~~OR~~, A PERSON ACTING IN AN OFFICIAL CAPACITY ON BEHALF OF THE GOVERNMENTAL UNIT, OR A PERSON APPOINTED AS RECEIVER AT THE REQUEST OF THE GOVERNMENTAL UNIT, UNLESS:

(1) THE GOVERNMENTAL UNIT ~~OR~~, THE PERSON ACTING IN AN OFFICIAL CAPACITY ON BEHALF OF THE UNIT, OR THE PERSON APPOINTED AS RECEIVER AT THE REQUEST OF THE GOVERNMENTAL UNIT ELECTS TO HAVE THE PROVISIONS OF THIS TITLE APPLY TO THE RECEIVERSHIP;

(2) A COURT, FOR GOOD CAUSE, ORDERS THAT THE PROVISIONS OF THIS TITLE APPLY TO THE RECEIVERSHIP; OR

(3) THE LAW AUTHORIZING THE RECEIVERSHIP IN WHICH THE RECEIVER IS A GOVERNMENTAL UNIT OR A PERSON ACTING IN AN OFFICIAL CAPACITY ON BEHALF OF THE GOVERNMENTAL UNIT PROVIDES THAT THIS TITLE APPLIES TO THE RECEIVERSHIP.

(D) SUBSECTION (C)(2) OF THIS SECTION DOES NOT APPLY TO A DELINQUENCY PROCEEDING INITIATED BY THE MARYLAND INSURANCE COMMISSIONER UNDER TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE.

SUBTITLE 2. APPOINTMENT OF RECEIVER.

24-201.

(A) A COURT MAY APPOINT A RECEIVER:

(1) BEFORE JUDGMENT, TO PROTECT A PARTY THAT DEMONSTRATES AN APPARENT RIGHT TO PROPERTY THAT IS THE SUBJECT OF THE ACTION, IF THE PROPERTY OR THE REVENUE-PRODUCING POTENTIAL OF THE PROPERTY:

(I) IS BEING SUBJECTED TO OR IS IN DANGER OF WASTE, LOSS, DISSIPATION, OR IMPAIRMENT; OR

(II) HAS BEEN OR IS ABOUT TO BE THE SUBJECT OF A FRAUDULENT CONVEYANCE VOIDABLE UNDER TITLE 15, SUBTITLE 2 OF THIS ARTICLE;

(2) AFTER JUDGMENT, TO:

(I) CARRY THE JUDGMENT INTO EFFECT; OR

(II) PRESERVE NONEXEMPT PROPERTY:

1. PENDING APPEAL; OR

2. WHEN AN EXECUTION HAS BEEN RETURNED UNSATISFIED AND THE OWNER REFUSES TO APPLY THE PROPERTY IN SATISFACTION OF THE JUDGMENT;

(3) IN AN ACTION SEEKING DISSOLUTION OF A CORPORATION UNDER § 3-411 OR § 3-415 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

(4) TO A RECEIVERSHIP UNDER § 24-103(A)(3) OF THIS TITLE.

(B) (1) IN CONNECTION WITH OR ANTICIPATION OF A FORECLOSURE OR ANY OTHER ENFORCEMENT OF A MORTGAGE, A MORTGAGEE IS ENTITLED TO THE APPOINTMENT OF A RECEIVER.

(2) ON REQUEST, A COURT SHALL APPOINT A RECEIVER FOR THE MORTGAGED PROPERTY IF:

(I) THERE IS A DEFAULT UNDER THE MORTGAGE; AND

(II) 1. APPOINTMENT OF A RECEIVER IS NECESSARY TO PROTECT THE PROPERTY FROM WASTE, LOSS, TRANSFER, DISSIPATION, OR IMPAIRMENT;

2. THE MORTGAGOR AGREED IN A SIGNED RECORD, INCLUDING THE MORTGAGE OR AN ASSIGNMENT OF LEASES AND RENTS, TO THE APPOINTMENT OF A RECEIVER ON DEFAULT;

3. THE OWNER AGREED, AFTER DEFAULT AND IN A SIGNED RECORD, TO THE APPOINTMENT OF A RECEIVER;

4. THE PROPERTY AND ANY OTHER COLLATERAL HELD BY THE MORTGAGEE ARE NOT SUFFICIENT TO SATISFY THE SECURED OBLIGATION;

5. THE OWNER FAILS TO TURN OVER TO THE MORTGAGEE PROCEEDS OR RENT THE MORTGAGEE WAS ENTITLED TO COLLECT; OR

6. THE HOLDER OF A SUBORDINATE LIEN OBTAINS THE APPOINTMENT OF A RECEIVER FOR THE PROPERTY.

(C) (1) A COURT MAY CONDITION APPOINTMENT OF A RECEIVER WITHOUT PRIOR NOTICE UNDER § 24-501(B)(1) OF THIS TITLE, OR WITHOUT A PRIOR HEARING UNDER § 24-501(B)(2) OF THIS TITLE, ON THE GIVING OF SECURITY BY THE PERSON SEEKING THE APPOINTMENT FOR:

(I) THE PAYMENT OF DAMAGES;

(II) REASONABLE ATTORNEY'S FEES; OR

(III) IF THE COURT CONCLUDES THAT THE APPOINTMENT WAS NOT JUSTIFIED, COSTS INCURRED BY ANY PERSON.

(2) IF THE COURT LATER CONCLUDES THAT THE APPOINTMENT WAS JUSTIFIED, THE COURT SHALL RELEASE THE SECURITY.

24-202.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A COURT MAY APPOINT AS AN ANCILLARY RECEIVER FOR PROPERTY LOCATED IN THE STATE OR SUBJECT TO THE JURISDICTION OF THE COURT FOR WHICH A RECEIVER COULD BE APPOINTED UNDER THIS TITLE:

- (1) A RECEIVER APPOINTED IN ANOTHER STATE; OR
- (2) A NOMINEE OF THE RECEIVER IN THE OTHER STATE.

(B) AN ANCILLARY RECEIVER UNDER SUBSECTION (A) OF THIS SECTION SHALL:

(1) BE ELIGIBLE TO SERVE AS A RECEIVER UNDER § 24-203 OF THIS SUBTITLE; AND

(2) FURTHER THE PERSON'S POSSESSION, CUSTODY, CONTROL, OR DISPOSITION OF PROPERTY SUBJECT TO THE RECEIVERSHIP IN THE OTHER STATE.

(C) A COURT MAY ISSUE AN ORDER THAT GIVES EFFECT TO AN ORDER ENTERED IN ANOTHER STATE APPOINTING OR DIRECTING A RECEIVER.

(D) UNLESS THE COURT ORDERS OTHERWISE, AN ANCILLARY RECEIVER APPOINTED UNDER SUBSECTION (A) OF THIS SECTION HAS THE RIGHTS, POWERS, AND DUTIES OF A RECEIVER APPOINTED UNDER THIS TITLE.

**24-203.**

(A) A COURT MAY NOT APPOINT A PERSON AS A RECEIVER UNLESS THE PERSON PROVIDES A STATEMENT UNDER PENALTY OF PERJURY THAT THE PERSON IS NOT DISQUALIFIED UNDER SUBSECTION (B) OF THIS SECTION.

(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS SECTION, A PERSON IS DISQUALIFIED FROM APPOINTMENT AS A RECEIVER IF THE PERSON:

- (1) IS AN AFFILIATE OF A PARTY;
- (2) HAS A MATERIAL FINANCIAL INTEREST IN THE OUTCOME OF THE ACTION, OTHER THAN COMPENSATION THE COURT MAY ALLOW THE RECEIVER;
- (3) HAS A DEBTOR-CREDITOR RELATIONSHIP WITH A PARTY;
- (4) HOLDS AN EQUITY INTEREST IN A PARTY, OTHER THAN A NONCONTROLLING INTEREST IN A PUBLICLY TRADED COMPANY;
- (5) IS OR WAS A DIRECTOR, AN OFFICER, OR AN EMPLOYEE OF THE OWNER WITHIN 2 YEARS IMMEDIATELY PRECEDING THE APPOINTMENT OF THE RECEIVER;

(6) (I) HAS BEEN CONVICTED OF A FELONY OR ANY OTHER CRIME INVOLVING MORAL TURPITUDE; OR

(II) IS SUPERVISED BY OR AN EMPLOYEE OF A PERSON WHO HAS BEEN CONVICTED OF A FELONY OR ANY OTHER CRIME OF MORAL TURPITUDE;

(7) (I) HAS BEEN FOUND LIABLE IN CIVIL COURT FOR FRAUD, BREACH OF FIDUCIARY DUTY, THEFT, OR SIMILAR MISCONDUCT; OR

(II) IS CONTROLLED BY A PERSON WHO HAS BEEN FOUND LIABLE IN CIVIL COURT FOR FRAUD, BREACH OF FIDUCIARY DUTY, THEFT, OR SIMILAR MISCONDUCT; OR

(8) OTHERWISE HAS AN INTEREST MATERIALLY ADVERSE TO AN INTEREST OF A PARTY OR THE RECEIVERSHIP ESTATE, OR OF ANY CREDITOR OR EQUITY SECURITY HOLDER, BY REASON OF ANY DIRECT OR INDIRECT RELATIONSHIP TO, CONNECTION WITH, OR INTEREST IN THE OWNER.

(C) (1) A PERSON IS NOT DISQUALIFIED FROM APPOINTMENT AS A RECEIVER SOLELY BECAUSE THE PERSON:

(I) WAS APPOINTED AS A RECEIVER OF ANOTHER RECEIVERSHIP;

(II) IS OWED COMPENSATION IN AN UNRELATED MATTER INVOLVING A PARTY;

(III) WAS ENGAGED BY A PARTY IN A MATTER UNRELATED TO THE RECEIVERSHIP;

(IV) IS AN INDIVIDUAL OBLIGATED TO A PARTY ON A DEBT THAT:

1. IS NOT IN DEFAULT; AND

2. WAS INCURRED PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES; OR

(V) MAINTAINS WITH A PARTY A DEPOSIT ACCOUNT AS DEFINED IN § 9-102(A)(29) OF THIS ARTICLE.

(2) NOTWITHSTANDING SUBSECTION (B)(5) OF THIS SECTION, A PERSON WHO IS OR WAS A DIRECTOR, AN OFFICER, OR AN EMPLOYEE OF THE OWNER

WITHIN 2 YEARS IMMEDIATELY PRECEDING THE APPOINTMENT OF THE RECEIVER IS NOT DISQUALIFIED FROM APPOINTMENT AS A RECEIVER IF THE COURT:

(I) APPOINTS THE PERSON AS A RECEIVER; AND

(II) DETERMINES THAT:

1. THE APPOINTMENT WOULD BE IN THE BEST INTEREST OF THE RECEIVERSHIP ESTATE; AND

2. THE PERSON IS NOT DISQUALIFIED FOR A REASON LISTED IN SUBSECTION (B)(1) THROUGH (4) OR (B)(6) THROUGH (8) OF THIS SECTION.

(D) (1) A PERSON SEEKING APPOINTMENT OF A RECEIVER MAY NOMINATE A PERSON TO SERVE AS RECEIVER.

(2) A COURT IS NOT BOUND BY A NOMINATION RECEIVED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

24-204.

(A) THE COURT MAY:

(1) REQUIRE A RECEIVER TO POST A BOND OR SECURITY WITH THE COURT;

(2) AUTHORIZE A RECEIVER TO ACT WITHOUT POSTING A BOND OR OTHER SECURITY; OR

(3) AUTHORIZE A RECEIVER TO ACT BEFORE THE RECEIVER POSTS ANY BOND REQUIRED BY THE COURT.

(B) IF A COURT REQUIRES A BOND TO BE POSTED UNDER SUBSECTION (A) OF THIS SECTION, THE BOND SHALL BE:

(1) CONDITIONED ON THE FAITHFUL DISCHARGE OF THE RECEIVER'S DUTIES;

(2) WITH ONE OR MORE SURETIES APPROVED BY THE COURT;

(3) IN AN AMOUNT THE COURT SPECIFIES; AND

(4) EFFECTIVE AS OF THE DATE OF THE RECEIVER'S APPOINTMENT.

(C) THE COURT MAY ALSO AUTHORIZE A RECEIVER TO ACT WITHOUT POSTING A BOND OR OTHER SECURITY.

24-205.

(A) A COURT THAT APPOINTS A RECEIVER UNDER THIS TITLE:

(1) HAS EXCLUSIVE JURISDICTION TO DIRECT THE RECEIVER AND DETERMINE ANY CONTROVERSY RELATED TO THE RECEIVERSHIP OR RECEIVERSHIP PROPERTY WHEREVER LOCATED WITHIN THE STATE, INCLUDING ALL CONTROVERSIES RELATING TO:

(I) THE COLLECTION, PRESERVATION, IMPROVEMENT, DISPOSITION, AND DISTRIBUTION OF RECEIVERSHIP PROPERTY;

(II) THE EXERCISE OF THE RECEIVER'S POWERS; OR

(III) THE PERFORMANCE OF THE RECEIVER'S DUTIES; AND

(2) MAY, ON MOTION BY A PARTY IN INTEREST OR ON ITS OWN INITIATIVE, ASSIGN THE RECEIVERSHIP TO A JUDGE WHO SHALL BE RESPONSIBLE FOR THE ENTIRE CASE DURING THE COURSE OF THE RECEIVERSHIP.

### SUBTITLE 3. RIGHTS, POWERS, AND DUTIES OF A RECEIVER.

24-301.

(A) EXCEPT AS LIMITED BY COURT ORDER OR A LAW OF THE STATE OTHER THAN THIS TITLE, A RECEIVER MAY:

(1) COLLECT, CONTROL, MANAGE, CONSERVE, AND PROTECT RECEIVERSHIP PROPERTY;

(2) OPERATE A BUSINESS CONSTITUTING RECEIVERSHIP PROPERTY, INCLUDING PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE, COLLECTION, OR DISPOSITION OF THE PROPERTY IN THE ORDINARY COURSE OF BUSINESS;

(3) IN THE ORDINARY COURSE OF BUSINESS:

(I) INCUR UNSECURED DEBT FOR THE RECEIVER'S PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE, COLLECTION, OR DISPOSITION OF THE BUSINESS OR RECEIVERSHIP PROPERTY; OR

(II) PAY ORDINARY, REASONABLE, AND NECESSARY EXPENSES FOR THE RECEIVER'S PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE, COLLECTION, OR DISPOSITION OF THE BUSINESS OR RECEIVERSHIP PROPERTY;

(4) EMPLOY AND DISCHARGE AGENTS, CONTRACTORS, AND EMPLOYEES THAT ARE NECESSARY TO MANAGE, OPERATE, PRESERVE, IMPROVE, SECURE, AND MARKET THE BUSINESS OR RECEIVERSHIP PROPERTY;

(5) ASSERT A RIGHT, CLAIM, CAUSE OF ACTION, PRIVILEGE, OR DEFENSE OF THE OWNER THAT RELATES TO THE BUSINESS OR RECEIVERSHIP PROPERTY, AND, IN THE CASE OF A RECEIVERSHIP UNDER § 24-103(A) OF THIS TITLE, THE CLAIM, CAUSE OF ACTION, PRIVILEGE, OR DEFENSE SHALL NOT BE BARRED BY THE DOCTRINE OF PARI DELICTO;

(6) SEEK AND OBTAIN INSTRUCTION FROM THE COURT REGARDING:

(I) MANAGING OR DISPOSING OF THE BUSINESS OR RECEIVERSHIP PROPERTY;

(II) EXERCISING THE POWERS OF THE RECEIVER; OR

(III) PERFORMING THE DUTIES OF THE RECEIVER;

(7) AFTER BEING ISSUED A SUBPOENA, WITH RESPECT TO THE RECEIVERSHIP PROPERTY OR ANY OTHER MATTER THAT MAY AFFECT ADMINISTRATION OF THE RECEIVERSHIP, COMPEL A PERSON TO:

(I) SUBMIT TO EXAMINATION UNDER OATH; OR

(II) PRODUCE AND ALLOW INSPECTION AND COPYING OF RECORDS OR OTHER TANGIBLE PROPERTY;

(8) ENGAGE A PROFESSIONAL AS PROVIDED IN § 24-303 OF THIS SUBTITLE;

(9) APPLY TO A COURT OF ANOTHER STATE FOR APPOINTMENT AS ANCILLARY RECEIVER WITH RESPECT TO RECEIVERSHIP PROPERTY LOCATED IN THAT STATE;

(10) IN A RECEIVERSHIP UNDER § 24-103(A)(2) OR (3) OF THIS TITLE, EXERCISE ANY RIGHTS OR POWERS PROVIDED FOR IN § 15-101 OF THIS ARTICLE; OR



(11) EXERCISE ANY OTHER POWER CONFERRED BY COURT ORDER, THIS TITLE, OR A LAW OF THE STATE OTHER THAN THIS TITLE.

(B) WITH COURT APPROVAL, A RECEIVER MAY:

(1) INCUR DEBT ON AN UNSECURED OR SECURED BASIS FOR THE USE OR BENEFIT OF THE BUSINESS OR RECEIVERSHIP PROPERTY, OTHER THAN IN THE ORDINARY COURSE OF BUSINESS, AND ANY SECURED DEBT SHALL BE SUBJECT TO EXISTING LIENS;

(2) PAY OBLIGATIONS INCURRED BEFORE THE RECEIVER'S APPOINTMENT IF AND TO THE EXTENT THAT:

(I) THE PAYMENT IS DETERMINED TO BE REASONABLE AND NECESSARY FOR THE PRESERVATION OF THE BUSINESS OR RECEIVERSHIP PROPERTY; AND

(II) THE FUNDS USED UNDER THIS ITEM ARE NOT SUBJECT TO ANY LIEN IN FAVOR OF A CREDITOR WHO HAS NOT CONSENTED TO THE PAYMENT, OR WHOSE INTEREST IS NOT ADEQUATELY PROTECTED;

(3) MAKE IMPROVEMENTS TO RECEIVERSHIP PROPERTY;

(4) USE OR TRANSFER RECEIVERSHIP PROPERTY, OTHER THAN IN THE ORDINARY COURSE OF BUSINESS, UNDER § 24-304 OF THIS SUBTITLE;

(5) ASSUME, REJECT, OR ASSUME AND ASSIGN AN EXECUTORY CONTRACT OF THE OWNER UNDER § 24-305 OF THIS SUBTITLE;

(6) PAY COMPENSATION TO:

(I) THE RECEIVER UNDER § 24-601 OR § 24-602 OF THIS TITLE;  
OR

(II) TO EACH PROFESSIONAL ENGAGED BY THE RECEIVER UNDER § 24-303 OF THIS SUBTITLE;

(7) RECOMMEND ALLOWANCE OR DISALLOWANCE OF A CLAIM OF A CREDITOR UNDER § 24-302 OF THIS SUBTITLE;

(8) ABANDON ANY PROPERTY THAT IS BURDENSOME OR NOT OF MATERIAL VALUE TO THE RECEIVERSHIP; AND

**(9) MAKE A DISTRIBUTION OF RECEIVERSHIP PROPERTY UNDER § 24-302 OF THIS SUBTITLE.**

**(C) A RECEIVER SHALL:**

**(1) PREPARE AND RETAIN APPROPRIATE BUSINESS RECORDS, INCLUDING A RECORD OF EACH RECEIPT, DISBURSEMENT, AND DISPOSITION OF THE BUSINESS OR RECEIVERSHIP PROPERTY;**

**(2) ACCOUNT FOR THE BUSINESS OR RECEIVERSHIP PROPERTY, INCLUDING THE PROCEEDS OF A SALE, A LEASE, A LICENSE, AN EXCHANGE, A COLLECTION, OR ANY OTHER DISPOSITION OF THE RECEIVERSHIP PROPERTY;**

**(3) IF THE RECEIVERSHIP INCLUDES REAL PROPERTY, FILE IN THE LAND RECORDS OF THE COUNTY WHERE THE REAL PROPERTY IS LOCATED A COPY OF THE ORDER APPOINTING THE RECEIVER, AND IF A LEGAL DESCRIPTION IS NOT INCLUDED IN THE ORDER, INCLUDE A LEGAL DESCRIPTION OF THE REAL PROPERTY;**

**(4) DISCLOSE TO THE COURT ANY FACT ARISING DURING THE RECEIVERSHIP THAT WOULD DISQUALIFY THE RECEIVER UNDER § 24-203 OF THIS TITLE; AND**

**(5) PERFORM ANY DUTY IMPOSED BY COURT ORDER, THIS TITLE, OR A LAW OF THE STATE OTHER THAN THIS TITLE.**

**(D) THE POWERS AND DUTIES OF A RECEIVER MAY BE EXPANDED, MODIFIED, OR LIMITED BY COURT ORDER.**

**24-302.**

**(A) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A RECEIVER SHALL GIVE NOTICE OF THE APPOINTMENT OF THE RECEIVER TO CREDITORS OF THE OWNER IF:**

**(1) THE RECEIVERSHIP IS A RECEIVERSHIP UNDER § 24-103(A)(2) OR (3) OF THIS TITLE; OR**

**(2) ORDERED BY A COURT.**

**(B) (1) THE RECEIVER SHALL PROVIDE THE NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION:**

(I) TO EACH CREDITOR HOLDING A CLAIM AGAINST THE OWNER THAT AROSE BEFORE THE APPOINTMENT OF THE RECEIVER; AND

(II) BY:

1. FIRST-CLASS MAIL OR OTHER COMMERCIALY REASONABLE DELIVERY METHOD TO THE LAST KNOWN ADDRESS OF THE CREDITOR AND THE CREDITOR'S ATTORNEY, IF KNOWN; AND

2. PUBLICATION AS DIRECTED BY THE COURT.

(2) (I) THE NOTICE SHALL SPECIFY THE DATE BY WHICH THE CREDITOR MUST SUBMIT THE CLAIM TO THE RECEIVER.

(II) UNLESS THE COURT EXTENDS THE PERIOD FOR SUBMITTING A CLAIM, THE DATE SPECIFIED IN THE NOTICE SHALL BE AT LEAST 120 DAYS AFTER THE LATER OF THE DATE OF:

1. THE NOTICE; OR

2. THE MOST RECENT PUBLICATION AS DIRECTED BY THE COURT UNDER PARAGRAPH (1)(II)2 OF THIS SUBSECTION.

(III) UNLESS THE COURT ORDERS OTHERWISE, A CLAIM THAT IS NOT SUBMITTED WITHIN THE APPROPRIATE TIME PERIOD UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH IS NOT ENTITLED TO A DISTRIBUTION FROM THE RECEIVERSHIP PROPERTY.

(C) A CLAIM SUBMITTED BY A CREDITOR UNDER THIS SECTION SHALL:

(1) STATE THE NAME AND ADDRESS OF THE CREDITOR;

(2) STATE THE AMOUNT AND BASIS OF THE CREDITOR'S CLAIM;

(3) IDENTIFY ANY PROPERTY SECURING THE CREDITOR'S CLAIM;

(4) BE SIGNED BY THE CREDITOR UNDER PENALTY OF PERJURY; AND

(5) INCLUDE A COPY OF ANY RECORD ON WHICH THE CREDITOR'S CLAIM IS BASED.

(D) AN ASSIGNMENT BY A CREDITOR OF A CLAIM AGAINST THE OWNER IS EFFECTIVE AGAINST THE RECEIVER ONLY IF THE ASSIGNEE GIVES TIMELY NOTICE OF THE ASSIGNMENT TO THE RECEIVER IN A SIGNED RECORD.

(E) (1) AT ANY TIME BEFORE ENTRY OF AN ORDER APPROVING A RECEIVER'S FINAL REPORT, THE RECEIVER MAY FILE WITH THE COURT AN OBJECTION TO A CLAIM OF A CREDITOR, STATING THE BASIS FOR THE OBJECTION.

(2) THE COURT SHALL ALLOW OR DISALLOW THE CLAIM.

(F) IF THE COURT CONCLUDES THAT RECEIVERSHIP PROPERTY IS LIKELY TO BE INSUFFICIENT TO SATISFY CLAIMS OF EACH CREDITOR HOLDING A PERFECTED LIEN ON THE PROPERTY, THE COURT MAY ORDER THAT:

(1) THE RECEIVER DOES NOT NEED TO GIVE NOTICE OF THE APPOINTMENT UNDER SUBSECTION (A) OF THIS SECTION TO ALL UNSECURED CREDITORS OF THE OWNER, BUT ONLY TO THE UNSECURED CREDITORS AS THE COURT DIRECTS; AND

(2) AN UNSECURED CREDITOR DOES NOT NEED TO SUBMIT A CLAIM UNDER THIS SECTION.

(G) (1) SUBJECT TO § 24-701 OF THIS TITLE, A DISTRIBUTION OF RECEIVERSHIP PROPERTY TO A CREDITOR HOLDING A PERFECTED LIEN ON THE PROPERTY SHALL BE MADE IN ACCORDANCE WITH THE CREDITOR'S PRIORITY UNDER APPLICABLE LAW.

(2) A DISTRIBUTION OF RECEIVERSHIP PROPERTY TO A CREDITOR WITH AN ALLOWED UNSECURED CLAIM SHALL BE MADE AS THE COURT DIRECTS.

24-303.

(A) (1) A RECEIVER SHALL OBTAIN COURT APPROVAL BEFORE ENGAGING ANY ATTORNEY, ACCOUNTANT, APPRAISER, AUCTIONEER, BROKER, OR OTHER PROFESSIONAL TO ASSIST THE RECEIVER IN PERFORMING THE RECEIVER'S DUTIES AND ADMINISTERING RECEIVERSHIP PROPERTY.

(2) THE RECEIVER MAY REQUEST APPOINTMENT OF A PROFESSIONAL TO PROVIDE SERVICES TO THE RECEIVERSHIP.

(3) A REQUEST UNDER THIS SECTION SHALL DISCLOSE TO THE COURT:

(I) THE IDENTITY AND QUALIFICATIONS OF THE PROFESSIONAL;

- (II) THE SCOPE AND NATURE OF THE PROPOSED ENGAGEMENT;
- (III) ANY POTENTIAL CONFLICT OF INTEREST; AND
- (IV) THE PROPOSED COMPENSATION.

(B) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, IF THE AGREEMENT IS DISCLOSED TO THE COURT, A PERSON IS NOT DISQUALIFIED FROM ENGAGEMENT UNDER THIS SECTION SOLELY BECAUSE OF THE PERSON'S ENGAGEMENT BY, REPRESENTATION OF, OR OTHER RELATIONSHIP WITH THE RECEIVER, A CREDITOR, OR ANY OTHER PARTY.

(II) THE COURT MAY DISQUALIFY A PERSON UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE COURT DETERMINES THAT THERE IS AN ACTUAL CONFLICT OF INTEREST.

(2) THIS TITLE DOES NOT PREVENT A RECEIVER FROM SERVING IN THE RECEIVERSHIP AS AN ATTORNEY, AN ACCOUNTANT, AN AUCTIONEER, OR A BROKER WHEN PROVIDING THE SERVICES THAT WILL BE IN THE BEST INTEREST OF THE RECEIVERSHIP ESTATE.

(C) (1) UNLESS OTHERWISE ORDERED BY THE COURT, A RECEIVER OR A PROFESSIONAL ENGAGED UNDER SUBSECTION (A) OF THIS SECTION SHALL FILE WITH THE COURT AN ITEMIZED STATEMENT OF:

- (I) THE TIME SPENT;
- (II) THE WORK PERFORMED;
- (III) THE BILLING RATE OF EACH PERSON WHO PERFORMED THE WORK; AND
- (IV) AN ITEMIZED LIST OF EXPENSES.

(2) UNLESS OBJECTIONS ARE FILED WITH THE COURT WITHIN THE TIME SPECIFIED IN THE MARYLAND RULES, OR UNLESS OTHERWISE ORDERED BY THE COURT, THE RECEIVER MAY PAY THE FEES AND EXPENSES RELATED TO THE SERVICES OF THE PROFESSIONAL OR THE RECEIVER.

(3) THE COURT SHALL SET A HEARING FOR ANY TIMELY FILED OBJECTIONS AS THE COURT CONSIDERS APPROPRIATE.

(D) (1) TO THE EXTENT FUNDS ARE AVAILABLE, THE RECEIVER SHALL PAY THE AMOUNT AUTHORIZED IN ACCORDANCE WITH THIS SECTION.

(2) IN A RECEIVERSHIP ESTABLISHED UNDER § 24-103(A)(1) OF THIS TITLE IN WHICH THE PROPERTY IS SUBJECT TO A SINGLE MORTGAGE, A RECEIVER MAY PAY FEES AND EXPENSES AGREED TO AND STIPULATED BY THE MORTGAGOR.

24-304.

(A) A RECEIVER MAY USE RECEIVERSHIP PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS IF:

(1) THE RECEIVER FILES A MOTION WITH THE COURT TO USE RECEIVERSHIP PROPERTY OTHER THAN IN THE COURSE OF ORDINARY BUSINESS; AND

(2) THE COURT GRANTS THE MOTION.

(B) (1) A RECEIVER MAY TRANSFER RECEIVERSHIP PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS BY SALE, LEASE, LICENSE, EXCHANGE, OR OTHER DISPOSITION OF THE RECEIVERSHIP PROPERTY IF:

(I) THE RECEIVER FILES A MOTION WITH THE COURT TO TRANSFER RECEIVERSHIP PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS; AND

(II) THE COURT GRANTS THE MOTION.

(2) SUBJECT TO SUBSECTIONS (C) AND (D) OF THIS SECTION, UNLESS THE AGREEMENT OF SALE PROVIDES OTHERWISE, THE COURT MAY ORDER A SALE UNDER THIS SECTION TO BE FREE AND CLEAR OF A LIEN OR OTHER INTEREST, INCLUDING:

(I) THE LIEN OF A PERSON THAT OBTAINED APPOINTMENT OF THE RECEIVER;

(II) ANY SUBORDINATE LIEN;

(III) ANY RIGHT OF REDEMPTION; OR

(IV) ANY OTHER LEGAL OR EQUITABLE INTEREST.

(3) A TRANSFER UNDER THIS SUBSECTION MAY OCCUR BY MEANS OTHER THAN A PUBLIC AUCTION SALE.

(C) (1) THIS SUBSECTION APPLIES TO A RECEIVERSHIP UNDER § 24-103(A)(1) OF THIS TITLE.

(2) A RECEIVER MAY TRANSFER RECEIVERSHIP PROPERTY UNDER SUBSECTION (B) OF THIS SECTION FREE AND CLEAR OF ANY LIEN OF THE PERSON THAT OBTAINED THE APPOINTMENT OF THE RECEIVER AND ANY SENIOR LIEN ONLY IF IN EACH CASE THE RECEIVER OBTAINS THE CONSENT OF THE HOLDER OF THE LIEN.

(3) A TRANSFER UNDER THIS SUBSECTION SHALL BE SUBJECT TO:

(I) IF THE RECEIVER DOES NOT OBTAIN THE CONSENT OF THE HOLDER OF THE LIEN, ANY SENIOR LIEN;

(II) ANY RESIDENTIAL LEASE; AND

(III) NOTWITHSTANDING § 7-105.6(C) OF THE REAL PROPERTY ARTICLE, ANY NONRESIDENTIAL LEASE THAT WOULD NOT BE TERMINATED BY A FORECLOSURE SALE OF THE LIEN OF THE PERSON THAT OBTAINED THE APPOINTMENT OF THE RECEIVER.

(D) (1) THIS SUBSECTION APPLIES TO A RECEIVERSHIP UNDER § 24-103(A)(2) OR (3) OF THIS TITLE.

(2) A RECEIVER MAY TRANSFER RECEIVERSHIP PROPERTY UNDER SUBSECTION (B) OF THIS SECTION FREE AND CLEAR OF ANY LIEN ONLY IF:

(I) THE RECEIVER OBTAINS THE CONSENT OF:

1. THE HOLDER OF ANY LIEN OF THE PERSON THAT OBTAINED THE APPOINTMENT OF THE RECEIVER; AND

2. THE CONSENT OF ANY SENIOR LIENHOLDER; OR

(II) THE PRICE AT WHICH THE RECEIVERSHIP PROPERTY IS TO BE SOLD IS GREATER THAN THE AMOUNT SECURED BY ANY LIEN HELD BY THE PERSON THAT OBTAINED THE APPOINTMENT OF THE RECEIVER, PLUS THE AMOUNT OF ANY SENIOR LIEN.

(3) A TRANSFER OF RECEIVERSHIP PROPERTY MAY BE FREE AND CLEAR OF A NONRESIDENTIAL LEASE IF THE TENANT OF THE NONRESIDENTIAL LEASE HAS THE RIGHTS PROVIDED TO THE TENANT UNDER § 24-305(H)(2) OF THIS TITLE.

(E) (1) THIS SUBSECTION APPLIES TO THE SALE OR EXCHANGE OF RECEIVERSHIP PROPERTY UNDER SUBSECTION (B) OF THIS SECTION.

(2) BEFORE FILING A MOTION TO SELL OR EXCHANGE RECEIVERSHIP PROPERTY, THE RECEIVER SHALL PERFORM OR OBTAIN A COMPLETE SEARCH OF THE PUBLIC RECORDS TO DETERMINE THE HOLDERS OF LIENS AND OTHER INTERESTS IN THE RECEIVERSHIP PROPERTY.

(3) IF THE REQUESTED SALE OR EXCHANGE IS FOR REAL PROPERTY, THE SEARCH SHALL:

(I) COVER A TIME PERIOD OF AT LEAST 40 YEARS IMMEDIATELY BEFORE THE MOTION IS FILED; AND

(II) BE IN ACCORDANCE WITH GENERALLY ACCEPTED STANDARDS OF TITLE EXAMINATION.

(4) THE MOTION SHALL INCLUDE AN AFFIDAVIT BY THE PERSON MAKING THE SEARCH IDENTIFYING THE HOLDERS OF LIENS AND OTHER INTERESTS.

(5) THE RECEIVER SHALL UPDATE THE MASTER SERVICE LIST BASED ON THE SEARCH TO INCLUDE ANY PERSON NOT PREVIOUSLY INCLUDED.

(6) (I) IF THE RECEIVER RECEIVES ACTUAL NOTICE AT ANY TIME BEFORE THE SALE THAT THERE IS A PERSON HOLDING A LIEN OR OTHER INTEREST IN THE PROPERTY WHO IS NOT INCLUDED ON THE MASTER SERVICE LIST AND WHOSE IDENTITY AND ADDRESS ARE REASONABLY ASCERTAINABLE, THE RECEIVER SHALL GIVE NOTICE OF THE TIME, PLACE, AND TERMS OF SALE TO THE PERSON AS PROMPTLY AS REASONABLY PRACTICABLE.

(II) THE NOTICE MAY BE GIVEN IN ANY MANNER REASONABLY CALCULATED TO INFORM THE PERSON OF THE SALE, INCLUDING BY TELEPHONE OR ELECTRONIC TRANSMISSION.

(F) A LIEN OR OTHER INTEREST IN RECEIVERSHIP PROPERTY THAT IS EXTINGUISHED BY A TRANSFER UNDER SUBSECTION (B) OF THIS SECTION ATTACHES TO THE PROCEEDS OF THE TRANSFER WITH THE SAME VALIDITY, PERFECTION, AND PRIORITY AS THE LIEN OR OTHER INTEREST IN THE PROPERTY IMMEDIATELY BEFORE THE TRANSFER, EVEN IF THE PROCEEDS ARE NOT SUFFICIENT TO SATISFY ALL OBLIGATIONS SECURED BY THE LIEN OR OTHER INTEREST.



(G) A CREDITOR HOLDING A VALID LIEN ON THE RECEIVERSHIP PROPERTY TO BE TRANSFERRED MAY PURCHASE THE RECEIVERSHIP PROPERTY AND OFFSET AGAINST THE PURCHASE PRICE ALL OR PART OF THE ALLOWED AMOUNT SECURED BY THE LIEN IF:

(1) THE CREDITOR TENDERS FUNDS SUFFICIENT TO SATISFY IN FULL THE REASONABLE EXPENSES OF THE TRANSFER; AND

(2) THE OBLIGATION IS SECURED BY A SENIOR LIEN THAT IS EXTINGUISHED BY THE TRANSFER.

(H) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THIS SUBSECTION APPLIES TO A REVERSAL OR MODIFICATION OF AN ORDER APPROVING A TRANSFER UNDER SUBSECTION (B) OF THIS SECTION.

(II) THIS SUBSECTION DOES NOT APPLY IF THE COURT STAYED THE ORDER BEFORE THE TRANSFER.

(2) REGARDLESS OF WHETHER A PERSON KNEW BEFORE THE TRANSFER OF THE REQUEST FOR REVERSAL OR MODIFICATION, A REVERSAL OR MODIFICATION OF AN ORDER APPROVING A TRANSFER DOES NOT:

(I) AFFECT THE VALIDITY OF THE TRANSFER TO A PERSON THAT ACQUIRED THE RECEIVERSHIP PROPERTY IN GOOD FAITH; OR

(II) REVIVE AGAINST THE PERSON ANY LIEN OR OTHER INTEREST EXTINGUISHED BY THE TRANSFER.

24-305.

(A) (1) (I) AT ANY TIME BEFORE A COURT'S APPROVAL OF A FINAL REPORT UNDER § 24-602 OF THIS TITLE, A RECEIVER MAY ASSUME OR REJECT AN EXECUTORY CONTRACT OF THE OWNER IF THE RECEIVER HAS PROVIDED NOTICE OF THE CONTRACT AND AN OPPORTUNITY FOR A HEARING TO THE COUNTERPARTY TO THE CONTRACT.

(II) IF THE REQUIREMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NOT SATISFIED, THE EXECUTORY CONTRACT SHALL BE DEEMED REJECTED.

(2) (I) THE COURT MAY CONDITION THE ASSUMPTION OR REJECTION OF AN EXECUTORY CONTRACT ON THE TERMS AND CONDITIONS THAT THE COURT DETERMINES ARE JUST AND PROPER UNDER THE PARTICULAR

CIRCUMSTANCES OF THE CASE, EXCEPT THAT A CONDITION TO ASSUMPTION SHALL BE A PROMPT CURE OF ALL EXISTING MONETARY DEFAULTS.

(II) A RECEIVER'S PERFORMANCE OF AN EXECUTORY CONTRACT BEFORE A COURT ORDER AUTHORIZING THE ASSUMPTION OR REJECTION OF THE CONTRACT DOES NOT CONSTITUTE AN ASSUMPTION OF THE CONTRACT OR AN AGREEMENT TO ASSUME OR OTHERWISE PREVENT THE RECEIVER FROM SEEKING THE COURT'S AUTHORITY TO REJECT THE CONTRACT.

(B) NOTWITHSTANDING THE TIME PERIOD FOR ASSUMPTION OR REJECTION OF AN EXECUTORY CONTRACT UNDER SUBSECTION (A) OF THIS SECTION, THE COURT, FOR CAUSE, MAY ORDER THE RECEIVER TO ASSUME OR REJECT AN EXECUTORY CONTRACT AT ANY TIME AFTER THE RECEIVER'S APPOINTMENT.

(C) ANY OBLIGATION OR LIABILITY INCURRED BY A RECEIVER AS A RESULT OF THE RECEIVER'S ASSUMPTION OF AN EXECUTORY CONTRACT SHALL BE TREATED AS AN EXPENSE OF THE RECEIVERSHIP.

(D) (1) A RECEIVER'S REJECTION OF AN EXECUTORY CONTRACT SHALL BE:

(I) EFFECTIVE ON ENTRY OF AN ORDER OF REJECTION; AND

(II) TREATED AS A BREACH OF THE CONTRACT OCCURRING IMMEDIATELY BEFORE THE ENTRY OF THE ORDER APPOINTING THE RECEIVER.

(2) THE RECEIVER'S RIGHT TO POSSESS OR USE RECEIVERSHIP PROPERTY UNDER AN EXECUTORY CONTRACT SHALL TERMINATE ON REJECTION OF THE CONTRACT.

(3) A CLAIM FOR DAMAGES FOR REJECTION OF AN EXECUTORY CONTRACT SHALL BE SUBMITTED BEFORE THE LATER OF:

(I) THE TIME FOR SUBMITTING A CLAIM IN THE RECEIVERSHIP CASE; OR

(II) 30 DAYS AFTER ENTRY OF THE ORDER APPROVING THE REJECTION.

(E) A RECEIVER MAY NOT ASSUME AN EXECUTORY CONTRACT OF THE OWNER WITHOUT THE CONSENT OF THE COUNTERPARTY TO THE CONTRACT IF:

(1) NOTWITHSTANDING THE ABSENCE OF ANY PROVISION IN THE CONTRACT EXPRESSLY RESTRICTING OR PROHIBITING AN ASSIGNMENT OF THE OWNER'S RIGHTS OR THE PERFORMANCE OF THE OWNER'S DUTIES, APPLICABLE LAW WOULD EXCUSE A PARTY, OTHER THAN THE OWNER, FROM ACCEPTING PERFORMANCE FROM OR RENDERING PERFORMANCE TO ANYONE OTHER THAN THE OWNER;

(2) THE CONTRACT IS A CONTRACT TO:

(I) MAKE A LOAN TO OR FOR THE BENEFIT OF THE OWNER;

(II) EXTEND CREDIT OR FINANCIAL ACCOMMODATION TO OR FOR THE BENEFIT OF THE OWNER; OR

(III) ISSUE A SECURITY; OR

(3) THE CONTRACT EXPIRES BEFORE THE RECEIVER'S ASSUMPTION OF THE CONTRACT BY THE CONTRACT'S OWN TERMS OR UNDER APPLICABLE LAW.

(F) A RECEIVER MAY NOT ASSIGN AN EXECUTORY CONTRACT WITHOUT ASSUMING THE CONTRACT, ABSENT THE CONSENT OF THE COUNTERPARTY TO THE CONTRACT.

(G) (1) THIS SUBSECTION APPLIES TO A REJECTION BY THE RECEIVER OF AN EXECUTORY CONTRACT FOR:

(I) THE SALE OF REAL PROPERTY UNDER WHICH THE OWNER IS THE SELLER AND THE PURCHASER IS IN POSSESSION OF THE REAL PROPERTY;

(II) THE SALE OF A REAL PROPERTY TIMESHARE INTEREST UNDER WHICH THE OWNER IS THE SELLER;

(III) THE LICENSE OF INTELLECTUAL PROPERTY RIGHTS UNDER WHICH THE OWNER IS THE LICENSOR; OR

(IV) THE LEASE OF REAL PROPERTY IN WHICH THE OWNER IS THE LANDLORD.

(2) IF THE RECEIVER REJECTS AN EXECUTORY CONTRACT:

(I) A PURCHASER, LICENSEE, OR TENANT:

1. MAY TREAT THE REJECTION AS A TERMINATION OF THE CONTRACT, LICENSE AGREEMENT, OR LEASE; OR

2. A. MAY REMAIN IN POSSESSION IN ACCORDANCE WITH THE TERMS OF THE CONTRACT, LICENSE AGREEMENT, OR LEASE, AND FOR A LEASE, ANY RENEWAL OR EXTENSION OF THE LEASE IN ACCORDANCE WITH THE TERMS OF THE LEASE; AND

B. SHALL CONTINUE TO PERFORM ALL OBLIGATIONS ARISING UNDER THE CONTRACT, LICENSE AGREEMENT, OR LEASE AS AND WHEN THEY BECOME DUE, BUT MAY OFFSET AGAINST ANY PAYMENTS FOR ANY DAMAGES OCCURRING AS A RESULT OF THE REJECTION AFTER THE REJECTION OCCURS;

(II) A PURCHASER OF REAL PROPERTY:

1. IS ENTITLED TO RECEIVE FROM THE RECEIVER ANY DEED OR OTHER INSTRUMENT OF CONVEYANCE THAT THE OWNER IS OBLIGATED TO DELIVER UNDER THE EXECUTORY CONTRACT WHEN THE PURCHASER BECOMES ENTITLED TO RECEIVE THE DEED OR OTHER INSTRUMENT OF CONVEYANCE; AND

2. THE DEED OR OTHER INSTRUMENT OF CONVEYANCE HAS THE SAME FORCE AND EFFECT AS IF DELIVERED BY THE OWNER;

(III) A PURCHASER, LICENSEE, OR TENANT THAT ELECTS TO REMAIN IN POSSESSION UNDER THE TERMS OF THIS SUBSECTION HAS NO RIGHTS AGAINST THE RECEIVER ON ACCOUNT OF ANY DAMAGES ARISING FROM THE RECEIVER'S REJECTION EXCEPT AS EXPRESSLY PROVIDED IN THIS SUBSECTION; AND

(IV) A PURCHASER OF REAL PROPERTY THAT ELECTS TO TREAT REJECTION OF ANY EXECUTORY CONTRACT AS A TERMINATION HAS A LIEN AGAINST THE OWNER'S INTEREST IN THE REAL PROPERTY FOR THE RECOVERY OF ANY PORTION OF THE PURCHASE PRICE THAT THE PURCHASER HAS PAID.

(H) IF AT THE TIME A RECEIVER IS APPOINTED THE OWNER HAS THE RIGHT TO ASSIGN AN EXECUTORY CONTRACT RELATING TO RECEIVERSHIP PROPERTY, THE RECEIVER MAY ASSIGN THE CONTRACT WITH COURT APPROVAL IF THE RECEIVER:

(1) ASSUMES THE CONTRACT; AND

(2) PROMPTLY CURES ALL MONETARY DEFAULTS UNDER THE CONTRACT.

(I) A RECEIVER MAY NOT REJECT AN UNEXPIRED LEASE OF REAL PROPERTY UNDER WHICH THE OWNER IS THE LANDLORD IF:

(1) THE TENANT OCCUPIES THE LEASED PREMISES AS THE TENANT'S PRIMARY RESIDENCE;

(2) THE RECEIVER WAS APPOINTED AT THE REQUEST OF A PERSON OTHER THAN A MORTGAGEE; OR

(3) (I) THE RECEIVER WAS APPOINTED AT THE REQUEST OF A MORTGAGEE; AND

(II) 1. THE LEASE IS SUPERIOR TO THE LIEN OF THE MORTGAGE;

2. THE TENANT HAS AN ENFORCEABLE AGREEMENT WITH THE MORTGAGEE OR THE HOLDER OF A SENIOR LIEN UNDER WHICH THE TENANT'S OCCUPANCY WILL NOT BE DISTURBED AS LONG AS THE TENANT PERFORMS THE TENANT'S OBLIGATIONS UNDER THE LEASE;

3. THE MORTGAGEE HAS CONSENTED TO THE LEASE, EITHER IN A SIGNED RECORD OR BY THE MORTGAGEE'S FAILURE TO TIMELY OBJECT THAT THE LEASE VIOLATED A PROVISION OF THE MORTGAGE; OR

4. A. THE TERMS OF THE LEASE WERE COMMERCIALY REASONABLE AT THE TIME THE LEASE WAS AGREED TO BY THE TENANT AND THE LANDLORD; AND

B. THE TENANT DID NOT KNOW OR HAVE REASON TO KNOW THAT THE LEASE VIOLATED A PROVISION OF THE MORTGAGE.

(J) SECTION 4A-606 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE MAY NOT BE AFFECTED BY A RECEIVER'S REJECTION OF AN EXECUTORY CONTRACT UNDER THIS SECTION.

#### SUBTITLE 4. EFFECT OF RECEIVERSHIP.

24-401.

(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION OR ORDERED BY THE COURT, THE ENTRY OF AN ORDER APPOINTING A RECEIVER UNDER § 24-103(A)(2) OR (3) OF THIS TITLE SHALL OPERATE AS A STAY OF AN ACT TO:

(1) COMMENCE OR CONTINUE A JUDICIAL, ADMINISTRATIVE, OR OTHER ACTION OR PROCEEDING AGAINST THE OWNER THAT WAS OR COULD HAVE BEEN COMMENCED BEFORE ENTRY OF THE ORDER;

(2) COLLECT, ASSESS, OR RECOVER A CLAIM AGAINST THE OWNER THAT AROSE BEFORE ENTRY OF THE ORDER;

(3) OBTAIN POSSESSION OF, EXERCISE CONTROL OVER, OR ENFORCE A JUDGMENT AGAINST THE RECEIVERSHIP PROPERTY OBTAINED BEFORE ENTRY OF THE ORDER; OR

(4) CREATE, PERFECT, OR ENFORCE A LIEN OR OTHER CLAIM AGAINST THE RECEIVERSHIP PROPERTY THAT AROSE BEFORE ENTRY OF THE ORDER.

(B) (1) A EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A COURT MAY ORDER A STAY OF AN ACT AGAINST OR RELATING TO AN OWNER IF THE STAY IS NECESSARY TO:

~~(1)~~ (I) PROTECT THE RECEIVERSHIP PROPERTY OR BUSINESS; OR

~~(2)~~ (II) FACILITATE ADMINISTRATION OF THE RECEIVERSHIP.

(2) A COURT MAY NOT ORDER A STAY UNDER PARAGRAPH (1) OF THIS SUBSECTION, WITH RESPECT TO A GOVERNMENTAL UNIT COMMENCING OR CONTINUING AN ACTION OR PROCEEDING TO ENFORCE ITS POLICE OR REGULATORY POWER, THAT INCLUDES ENFORCING A NONMONETARY JUDGMENT.

(C) UNLESS AN ORDER IS ENTERED UNDER SUBSECTION (B) OF THIS SECTION, THE FOLLOWING MATTERS ARE NOT STAYED:

(1) AN ACT TO FORECLOSE OR OTHERWISE ENFORCE A MORTGAGE BY THE PERSON SEEKING APPOINTMENT OF THE RECEIVER;

(2) AN ACT TO PERFECT, MAINTAIN, OR CONTINUE THE PERFECTION OF AN INTEREST IN RECEIVERSHIP PROPERTY;

(3) COMMENCEMENT OR CONTINUATION OF A CRIMINAL PROCEEDING;

(4) COMMENCEMENT OR CONTINUATION OF AN ACTION OR A PROCEEDING BY A GOVERNMENTAL UNIT TO ENFORCE ITS POLICE OR REGULATORY POWER;

(5) ENFORCEMENT OF A JUDGMENT OTHER THAN A MONEY JUDGMENT IN AN ACTION OR A PROCEEDING BY A GOVERNMENTAL UNIT TO ENFORCE ITS POLICE OR REGULATORY POWER;

(6) ESTABLISHMENT BY A GOVERNMENTAL UNIT OF A TAX LIABILITY AGAINST THE OWNER OR RECEIVERSHIP PROPERTY OR AN APPEAL OF THE LIABILITY;

(7) THE EXERCISE OF THE RIGHT OF SETOFF OR RECOUPMENT;

(8) THE COMMENCEMENT OF A BANKRUPTCY CASE UNDER TITLE 11 OF THE UNITED STATES CODE; OR

(9) ANY OTHER MATTER PROVIDED UNDER 11 U.S.C. § 362(B) TO THE EXTENT NOT INCONSISTENT WITH ANY PROVISION OF THIS SECTION.

(D) A PERSON WHOSE ACT IS STAYED UNDER THIS SECTION MAY APPLY TO THE COURT FOR RELIEF FROM THE STAY FOR CAUSE SHOWN.

(E) EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS SECTION, THE STAY SHALL TERMINATE AS TO RECEIVERSHIP PROPERTY WHEN:

(1) THE PROPERTY IS NO LONGER RECEIVERSHIP PROPERTY; OR

(2) THE COURT ENTERS:

(I) AN ORDER APPROVING THE FINAL REPORT; OR

(II) AN ORDER DISMISSING THE CASE.

(F) THE COURT MAY VOID AN ACT THAT VIOLATES A STAY UNDER THIS SECTION.

(G) IF A PERSON WILLFULLY VIOLATES A STAY UNDER THIS SECTION, THE COURT MAY:

(1) AWARD THE RECEIVER ACTUAL DAMAGES CAUSED BY THE VIOLATION, INCLUDING REASONABLE FEES AND COSTS; AND

(2) SANCTION THE VIOLATION AS CIVIL CONTEMPT.

24-402.

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AND UNLESS OTHERWISE ORDERED BY A COURT, A PERSON THAT HAS POSSESSION, CUSTODY, OR CONTROL OF RECEIVERSHIP PROPERTY SHALL TURN THE RECEIVERSHIP PROPERTY OVER TO THE RECEIVER ON DEMAND OF THE RECEIVER.

(2) IF A CREDITOR HAS POSSESSION, CUSTODY, OR CONTROL OF RECEIVERSHIP PROPERTY AND THE VALIDITY, PERFECTION, OR PRIORITY OF THE CREDITOR'S LIEN ON THE RECEIVERSHIP PROPERTY DEPENDS ON THE CREDITOR'S POSSESSION, CUSTODY, OR CONTROL, SUBJECT TO § 24-401(C)(2) OF THIS SUBTITLE, THE CREDITOR MAY RETAIN POSSESSION, CUSTODY, OR CONTROL UNTIL THE COURT ENTERS AN ORDER PROVIDING ADEQUATE PROTECTION OF THE CREDITOR'S LIEN.

(B) A PERSON THAT HAS NOTICE OF THE APPOINTMENT OF A RECEIVER AND OWES A DEBT THAT IS RECEIVERSHIP PROPERTY MAY NOT SATISFY THE DEBT BY PAYMENT TO THE OWNER.

(C) IN THE ABSENCE OF A BONA FIDE DISPUTE WITH RESPECT TO THE RECEIVER'S OR THE RESPONDENT'S RIGHT TO POSSESSION, CUSTODY, OR CONTROL OF RECEIVERSHIP PROPERTY, THE COURT MAY SANCTION AS CIVIL CONTEMPT A PERSON'S FAILURE TO TURN THE PROPERTY OVER WHEN REQUIRED BY THIS SECTION.

24-403.

(A) EXCEPT AS PROVIDED BY COURT ORDER, AN OWNER SHALL:

(1) ASSIST AND COOPERATE WITH THE RECEIVER IN ADMINISTERING THE RECEIVERSHIP AND DISCHARGING THE RECEIVER'S DUTIES;

(2) PRESERVE AND TURN OVER TO THE RECEIVER ALL RECEIVERSHIP PROPERTY IN THE OWNER'S POSSESSION, CUSTODY, OR CONTROL, INCLUDING ALL DEPOSITORY AND INVESTMENT ACCOUNTS;

(3) IDENTIFY AND TURN OVER ALL RECORDS AND OTHER INFORMATION RELATING TO RECEIVERSHIP PROPERTY, INCLUDING ALL PASSWORDS, KEYS, ALARM CODES, AUTHORIZATIONS, OR OTHER INFORMATION NEEDED TO OBTAIN OR MAINTAIN ACCESS TO OR CONTROL OF RECEIVERSHIP PROPERTY;

(4) MAKE AVAILABLE AND TURN OVER TO THE RECEIVER THE RECORDS AND INFORMATION IN THE OWNER'S POSSESSION, CUSTODY, OR CONTROL,



INCLUDING ALL FINANCIAL RECORDS, ACCOUNTING RECORDS, BANK STATEMENTS, LEASES, AND CONTRACTS;

(5) AFTER BEING ISSUED A SUBPOENA, SUBMIT TO EXAMINATION BY THE RECEIVER THAT IS UNDER OATH REGARDING THE ACTS, CONDUCT, PROPERTY, LIABILITIES, AND FINANCIAL CONDITION OF THE OWNER OR ANY MATTER RELATING TO RECEIVERSHIP PROPERTY OR THE RECEIVERSHIP;

(6) REFRAIN FROM ENTERING THE RECEIVERSHIP PROPERTY AT ANY TIME WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE RECEIVER;

(7) REFRAIN FROM INTERFERING WITH, OBSTRUCTING, OR PREVENTING IN ANY WAY THE RECEIVER'S ACTIONS REGARDING THE RECEIVERSHIP PROPERTY; AND

(8) PERFORM ANY DUTY IMPOSED BY COURT ORDER, THIS TITLE, OR A LAW OF THE STATE OTHER THAN THIS TITLE.

(B) IF AN OWNER IS A PERSON OTHER THAN AN INDIVIDUAL, THIS SECTION APPLIES TO:

(1) ANY PERSON ACTING IN CONCERT WITH THE OWNER AND THE OWNER'S AGENTS; AND

(2) EACH OFFICER, DIRECTOR, MANAGER, MEMBER, PARTNER, TRUSTEE, AFFILIATE, SUBSIDIARY, OR OTHER PERSON EXERCISING OR HAVING THE POWER TO EXERCISE CONTROL OVER THE AFFAIRS OF THE OWNER.

(C) IF A PERSON KNOWINGLY FAILS TO PERFORM A DUTY IMPOSED BY THIS SECTION, THE COURT MAY:

(1) AWARD THE RECEIVER:

(I) ACTUAL DAMAGES CAUSED BY THE PERSON'S FAILURE;

(II) REASONABLE ATTORNEY'S FEES; AND

(III) COSTS; OR

(2) SANCTION THE FAILURE AS CIVIL CONTEMPT.

24-404.

EXCEPT AS OTHERWISE PROVIDED BY A LAW OF THE STATE OTHER THAN THIS TITLE, PROPERTY THAT A RECEIVER OR AN OWNER ACQUIRES AFTER APPOINTMENT OF THE RECEIVER IS SUBJECT TO A SECURITY AGREEMENT ENTERED INTO BEFORE THE APPOINTMENT TO THE SAME EXTENT AS IF THE COURT HAD NOT APPOINTED THE RECEIVER.

**24-405.**

A REQUEST BY A MORTGAGEE FOR THE APPOINTMENT OF A RECEIVER, THE APPOINTMENT OF A RECEIVER, OR THE APPLICATION BY A MORTGAGEE OF RECEIVERSHIP PROPERTY OR PROCEEDS TO THE SECURED OBLIGATION DOES NOT:

- (1) MAKE THE MORTGAGEE A MORTGAGEE IN POSSESSION OF THE REAL PROPERTY;
- (2) MAKE THE MORTGAGEE AN AGENT OF THE OWNER;
- (3) CONSTITUTE AN ELECTION OF REMEDIES THAT PRECLUDES A LATER ACTION TO ENFORCE THE SECURED OBLIGATION;
- (4) MAKE THE SECURED OBLIGATION UNENFORCEABLE; OR
- (5) LIMIT ANY RIGHT AVAILABLE TO THE MORTGAGEE WITH RESPECT TO THE SECURED OBLIGATION.

**24-406.**

(A) AN ASSIGNEE FOR THE BENEFIT OF CREDITORS SHALL BE TREATED AS A RECEIVER APPOINTED UNDER § 24-201(A)(3) OF THIS TITLE.

(B) THE PROPERTY ASSIGNED SHALL BE TREATED AS RECEIVERSHIP PROPERTY.

(C) EXCEPT FOR § 24-201 OF THIS TITLE, THIS TITLE SHALL GOVERN ALL PROCEEDINGS FOLLOWING THE FILING OF THE ASSIGNMENT.

**SUBTITLE 5. AUTHORITY OF THE COURT.****24-501.**

(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE COURT MAY ISSUE AN ORDER UNDER THIS TITLE ONLY AFTER NOTICE AND AN OPPORTUNITY FOR A HEARING.

**(B) THE COURT MAY ISSUE AN ORDER UNDER THIS TITLE:**

**(1) IF THE CIRCUMSTANCES REQUIRE ISSUANCE OF AN ORDER BEFORE NOTICE IS GIVEN, WITHOUT PRIOR NOTICE;**

**(2) IF THE CIRCUMSTANCES REQUIRE ISSUANCE OF AN ORDER BEFORE A HEARING IS HELD, AFTER NOTICE AND WITHOUT A PRIOR HEARING; OR**

**(3) IF NO INTERESTED PARTY TIMELY REQUESTS A HEARING, AFTER NOTICE AND WITHOUT A HEARING.**

**(C) THE RECEIVER SHALL FILE PERIODICALLY WITH THE COURT A MASTER SERVICE LIST CONSISTING OF THE NAMES, MAILING ADDRESSES, AND, WHERE AVAILABLE, FACSIMILE NUMBERS AND E-MAIL ADDRESSES OF:**

**(1) THE RESPONDENT;**

**(2) THE RECEIVER;**

**(3) ALL PERSONS JOINED AS PARTIES IN THE RECEIVERSHIP;**

**(4) ALL PERSONS KNOWN BY THE RECEIVER TO HAVE ASSERTED ANY OWNERSHIP OF OR LIEN IN RECEIVERSHIP PROPERTY;**

**(5) ALL PERSONS THAT HAVE FILED A NOTICE OF APPEARANCE IN ACCORDANCE WITH THIS SECTION; AND**

**(6) ANY ATTORNEY OF RECORD.**

**(D) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AND UNLESS THE COURT ORDERS OTHERWISE, A MOTION SHALL BE SERVED IN ACCORDANCE WITH THE MARYLAND RULES ON:**

**(1) ALL PERSONS ON THE MASTER SERVICE LIST;**

**(2) ALL PERSONS THAT HAVE ASSERTED AN OWNERSHIP INTEREST OR LIEN IN RECEIVERSHIP PROPERTY THAT IS THE SUBJECT OF THE MOTION;**

**(3) ALL PERSONS THAT ARE IDENTIFIED IN THE MOTION AS DIRECTLY AFFECTED BY THE RELIEF REQUESTED; AND**

**(4) ANY OTHER PERSON AS THE COURT MAY DIRECT.**

24-502.

~~(A) A PARTY MAY FILE AN APPEAL FROM AN INTERLOCUTORY ORDER WITH THE COURT OF SPECIAL APPEALS FROM ANY COURT ORDER IN A RECEIVERSHIP PROCEEDING BY FILING AN APPLICATION FOR LEAVE TO APPEAL UNDER THE PROCEDURE SET FORTH IN MARYLAND RULE 8-204.~~

~~(B) THE COURT, ON REQUEST OF THE COURT OF SPECIAL APPEALS, SHALL SUBMIT TO THE COURT OF SPECIAL APPEALS A WRITTEN CERTIFICATION STATING WHETHER, IN ITS OPINION:~~

~~(1) THE INTERLOCUTORY ORDER INVOLVES A CONTROLLING QUESTION OF LAW AS TO WHICH THERE IS A SUBSTANTIAL GROUND FOR DIFFERENCE OF OPINION; AND~~

~~(2) WHETHER AN IMMEDIATE APPEAL OF THE INTERLOCUTORY ORDER MAY MATERIALLY ADVANCE THE ULTIMATE CONCLUSION OF THE RECEIVERSHIP PROCEEDING.~~

~~(C) AFTER RECEIVING A WRITTEN CERTIFICATION FROM THE COURT, THE COURT OF SPECIAL APPEALS SHALL DETERMINE WHETHER TO GRANT OR DENY THE APPLICATION FOR LEAVE TO APPEAL.~~

IF AN ORDER ENTERED IN A PROCEEDING UNDER THIS TITLE IS NOT A FINAL ORDER AND THE COURT DETERMINES IN A WRITTEN ORDER THAT THERE IS NO JUST REASON FOR DELAY, THE COURT MAY DIRECT THE ENTRY OF A FINAL ORDER AS SET FORTH IN MARYLAND RULE 2-602(B).

#### SUBTITLE 6. REPORTING.

24-601.

(A) A RECEIVER:

(1) MAY FILE AN INTERIM REPORT; OR

(2) IF ORDERED BY THE COURT, SHALL FILE AN INTERIM REPORT.

(B) THE INTERIM REPORT UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

(1) THE ACTIVITIES OF THE RECEIVER SINCE APPOINTMENT OR A PREVIOUS INTERIM REPORT;

(2) RECEIPTS AND DISBURSEMENTS, INCLUDING ANY PAYMENT MADE OR PROPOSED TO BE MADE TO A PROFESSIONAL ENGAGED BY THE RECEIVER;

(3) RECEIPTS AND DISPOSITIONS OF RECEIVERSHIP PROPERTY;

(4) FEES AND EXPENSES OF THE RECEIVER AND, IF NOT FILED SEPARATELY, A REQUEST FOR APPROVAL OF PAYMENT OF THE FEES AND EXPENSES; AND

(5) ANY OTHER INFORMATION REQUIRED BY THE COURT.

24-602.

(A) ON COMPLETION OF A RECEIVER'S DUTIES, THE RECEIVER SHALL FILE A FINAL REPORT THAT INCLUDES:

(1) A DESCRIPTION OF THE ACTIVITIES OF THE RECEIVER DURING THE COURSE OF THE RECEIVERSHIP;

(2) A LIST OF RECEIVERSHIP PROPERTY AT THE COMMENCEMENT OF THE RECEIVERSHIP AND ANY RECEIVERSHIP PROPERTY RECEIVED DURING THE RECEIVERSHIP;

(3) A LIST OF DISBURSEMENTS, INCLUDING PAYMENTS TO PROFESSIONALS ENGAGED BY THE RECEIVER;

(4) A LIST OF DISPOSITIONS OF RECEIVERSHIP PROPERTY;

(5) A LIST OF DISTRIBUTIONS MADE OR PROPOSED TO BE MADE FROM THE RECEIVERSHIP PROPERTY FOR CREDITOR CLAIMS;

(6) IF NOT FILED SEPARATELY, A REQUEST FOR APPROVAL OF THE PAYMENT OF FEES AND EXPENSES OF THE RECEIVER; AND

(7) ANY OTHER INFORMATION REQUIRED BY THE COURT.

(B) THE RECEIVER IS DISCHARGED IF:

(1) A COURT APPROVES A FINAL REPORT FILED UNDER SUBSECTION (A) OF THIS SECTION; AND

(2) THE RECEIVER DISTRIBUTES ALL RECEIVERSHIP PROPERTY.

SUBTITLE 7. ACTIONS AGAINST RECEIVER AND TERMINATION OF RECEIVERSHIP.

**24-701.**

(A) A COURT MAY AWARD TO A RECEIVER FROM RECEIVERSHIP PROPERTY OR PROCEEDS THE REASONABLE AND NECESSARY FEES AND EXPENSES OF PERFORMING THE DUTIES AND EXERCISING THE POWERS OF THE RECEIVER.

(B) A COURT MAY ORDER ONE OR MORE OF THE FOLLOWING PERSONS TO PAY THE REASONABLE AND NECESSARY FEES AND EXPENSES OF THE RECEIVERSHIP, INCLUDING REASONABLE ATTORNEY'S FEES AND COSTS:

(1) A PERSON THAT REQUESTED THE APPOINTMENT OF THE RECEIVER, IF THE RECEIVERSHIP DOES NOT PRODUCE SUFFICIENT FUNDS TO PAY THE FEES AND EXPENSES; OR

(2) A PERSON WHOSE CONDUCT WOULD HAVE JUSTIFIED THE APPOINTMENT OF THE RECEIVER UNDER § 24-201(A)(1) OF THIS TITLE.

**24-702.**

(A) A RECEIVER IS ENTITLED TO ALL DEFENSES AND IMMUNITIES UNDER APPLICABLE STATE LAW FOR AN ACT OR OMISSION WITHIN THE SCOPE OF THE RECEIVER'S APPOINTMENT.

(B) A PERSON SHALL RECEIVE APPROVAL FROM THE COURT THAT APPOINTED THE RECEIVER BEFORE TAKING THE FOLLOWING ACTIONS:

(1) AN ACTION AGAINST THE RECEIVER PERSONALLY BASED ON AN ACT OR OMISSION IN ADMINISTERING RECEIVERSHIP PROPERTY; AND

(2) AN ACTION BY A PERSON OTHER THAN THE RECEIVER AGAINST A PROFESSIONAL PERSON THAT HAS PROVIDED SERVICES TO THE RECEIVER BASED ON AN ACT OR OMISSION IN PERFORMING THE SERVICES.

**24-703.**

(A) A COURT MAY REMOVE A RECEIVER FOR CAUSE ON ITS OWN MOTION OR THE MOTION OF AN INTERESTED PARTY.

(B) A COURT SHALL REPLACE A RECEIVER THAT DIES, RESIGNS, OR IS REMOVED.

(C) A RECEIVER REPLACED UNDER SUBSECTION (B) OF THIS SECTION IS DISCHARGED IF A COURT FINDS THAT A RECEIVER THAT RESIGNS OR IS REMOVED, OR THE REPRESENTATIVE OF A DECEASED RECEIVER, HAS:

(1) ACCOUNTED FULLY FOR AND TURNED OVER TO THE SUCCESSOR RECEIVER ALL RECEIVERSHIP PROPERTY; AND

(2) FILED A REPORT OF ALL RECEIPTS AND DISBURSEMENTS DURING THE SERVICE OF THE REPLACED RECEIVER.

(D) ON THE TRANSFER OF TITLE TO ANY RECEIVERSHIP PROPERTY, THE RECEIVERSHIP SHALL TERMINATE AUTOMATICALLY AS TO RECEIVERSHIP PROPERTY SUBJECT TO THE REQUIREMENTS OF § 24-602 OF THIS TITLE.

(E) A COURT MAY DISCHARGE A RECEIVER AND TERMINATE THE COURT'S ADMINISTRATION OF THE RECEIVERSHIP PROPERTY IF THE COURT FINDS THAT:

(1) APPOINTMENT OF THE RECEIVER WAS IMPROVIDENT; OR

(2) THE CIRCUMSTANCES NO LONGER WARRANT CONTINUATION OF THE RECEIVERSHIP.

#### SUBTITLE 8. SHORT TITLE.

24-801.

THIS TITLE MAY BE CITED AS THE MARYLAND COMMERCIAL RECEIVERSHIP ACT.

#### Article - Corporations and Associations

3-416.

[The] EXCEPT AS PROVIDED IN § 24-203 OF THE COMMERCIAL LAW ARTICLE, THE court may appoint any person as receiver, including an officer, director, or stockholder of the corporation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.

Approved by the Governor, April 30, 2019.

APPENDIX 2



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

TABLE OF CONTENTS

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-101. DEFINITIONS

Rule 13-102. SCOPE

Rule 13-103. APPLICABILITY OF OTHER RULES

Rule 13-104. COMMENCEMENT OF ACTION

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

Rule 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE, OR PROFESSIONAL

Rule 13-107. BOND

Rule 13-108. SERVICE OF PAPERS

CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. NOTICE TO CREDITORS

Rule 13-202. FINANCIAL DOCUMENTS

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER, AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

Rule 13-302. AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONAL

Rule 13-303. COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE, AND PROFESSIONAL

CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

Rule 13-402. OBJECTIONS TO CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

Rule 13-404. RELIEF FROM STAY

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

Rule 13-502. DISTRIBUTION

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN EXECUTORY CONTRACT

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF COMPENSATION

Rule 13-704. TERMINATION OF PROCEEDING

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-101. DEFINITIONS

- (a) Assignee
- (b) Court
- (c) Debtor
- (d) Designated Party
- (e) Equity Holder
- (f) Estate
- (g) Insolvent
- (h) Owner
- (i) Person
- (j) Property
- (k) Receiver
- (l) Receivership Property

Rule 13-102. SCOPE

- (a) Generally
- (b) Exceptions

Rule 13-103. APPLICABILITY OF OTHER RULES

- (a) Generally
- (b) Discovery

Rule 13-104. COMMENCEMENT OF ACTION

- (a) Assignment
- (b) Receivership
- (c) Show Cause Order
- (d) Hearing

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

- (a) Grounds for Appointment
- (b) Order
- (c) Modification or Termination of Appointment

Rule 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE, OR PROFESSIONAL

- (a) Receiver or Assignee
- (b) Professionals Generally
- (c) Ineligibility No Bar to Assumption of Jurisdiction

Rule 13-107. BOND

- (a) Bond Requirement
- (b) Amount of Bond
- (c) Motion to Modify Amount of Bond
- (d) Terms of Bond
- (e) Payment of Bond Premium from Estate

Rule 13-108. SERVICE OF PAPERS

- (a) Filing Master Service List
- (b) Master Service List
- (c) General Requirement
- (d) Entry of Appearance
- (e) Notices to Creditors
- (f) Content of Objection

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-101. DEFINITIONS

In this Title the following definitions apply except as expressly otherwise provided or as necessary implication requires:

(a) Assignee

"Assignee" means a person to whom a debtor has made a general assignment of property in trust for the benefit of creditors.

(b) Court

"Court" means ~~the court that has appointed a receiver or that has assumed jurisdiction over the estate of an assignee~~ circuit court in which an assignment for the benefit of creditors or a petition for receivership has been filed.

(c) Debtor

"Debtor" means ~~a person who has made a general assignment to an assignee or for whom a receiver has been appointed~~ the "owner" and the "insolvent."

(d) Designated Party

"Designated party" means an officer, director, manager or principal equity holder in the debtor.

(e) Equity Holder

"Equity holder" means a shareholder, partner, or member that owns an interest in the debtor's estate.

~~(d)~~ (f) Estate

"Estate" means "receivership property" and includes property assigned to an assignee or ~~administered by a receiver.~~

(g) Insolvent

"Insolvent" means an assignor in an assignment for the benefit of creditors proceeding or an insolvent for management of whose affairs a receiver has been appointed.

Cross reference: See Code, Commercial Law Article, § 15-101 (b) (2).

(h) Owner

"Owner" means a person for whose property or business a receiver is appointed. An "owner" is not an "equity holder".  
Cross reference: See Code, Commercial Law Article, § 24-101(m).

(i) Person

"Person" has the meaning set forth in Rule 1-202 (t) and includes an individual, an estate, a business, a nonprofit entity, a public corporation, a governmental unit, an instrumentality, and any other legal entity.

Cross reference: See Code, Commercial Law Article, § 24-101(n).

(j) Property

(1) For proceedings under Code, Commercial Law Article, Title 24:

(A) "Property" means all of a person's right, title, and interest, both legal and equitable, in real and personal property, tangible and intangible, wherever located and however acquired.

(B) "Property" includes proceeds, products, offspring, rent, and profits of or from the property.

(C) "Property" does not include:

(i) any power that the owner may exercise solely for the benefit of another person; or

(ii) property impressed with a trust, except to the extent that the owner has a residual interest.

Cross reference: See Code, Commercial Law Article, § 24-101(p).

(2) For all other proceedings, "property" has the meaning set forth in Rule 1-202 (x).

~~(e)~~ (k) Receiver

"Receiver" means a person appointed by the court under Code, Commercial Law Article, § 24-201(a), and subject to the court's authority, to take possession of, manage, and, if authorized by the provisions of Title 24 of the Commercial Law Article or court order, transfer, sell, lease, license,

exchange, collect, or otherwise dispose of receivership property.

Cross reference: See Code, Commercial Law Article, § 24-101(q).

(1) Receivership Property

"Receivership property" means property or business of an owner that is described in the order appointing a receiver or a subsequent order, including any products, offspring, profits, and proceeds of the property.

Cross reference: See Code, Commercial Law Article, § 24-101(s).

Source: This Rule is derived in part from former Rule BP1 a, and is in part new.

REPORTER'S NOTE

The Rules in Title 13 have undergone an extensive redrafting to implement the Chapter 284, 2019 Laws of Maryland, known as the "Maryland Commercial Receivership Act" ("MCRA"). The MCRA enacted a new Chapter 24 to the Commercial Law Article dealing with commercial receiverships and assignments for the benefit of creditors.

The current Rules cover types of receiverships not included in the statute, which is limited to commercial receiverships. The proposed new Rules continue to apply to those receiverships. Receiverships pertaining to abatement of nuisances or State or local code violations handled in the District Court pursuant to Rule 3-722 are excluded from both the statute and Title 13 of the Rules.

New definitions of "designated party," "equity holder," "insolvent," "owner," "person," "property," and "receivership property" are added to Rule 13-101, and the definition of "debtor" is revised to mirror the definition in the MCRA.



Rule 13-104 is expanded to provide more detail about how receiverships and assignments for the benefit of creditors are commenced. The redrafting eliminates the need for current Rule 13-106 (Petition for Assumption of Jurisdiction over Estate of an Assignee).

There is a new Rule (Rule 13-108, Service of Papers) that includes the requirement of filing and updating the master service list mandated by the MCRA.

Forms are removed from Rules 13-201, 13-202, 13-401, and 13-501 and replaced with language requiring a filer to use forms approved by the State Court Administrator and posted on the Judiciary website.

Rule 13-201 is expanded to cover both publication and mailing of notices to creditors, eliminating the need for current Rule 13-202 (Mailing of Notice to Creditors).

The MCRA established an automatic stay of pending civil actions in State courts against the debtor during a receivership. Proposed new Rule 13-201, in sections (d) and (e), requires the receiver to notify the clerk and the parties in a pending case of the stay and its eventual termination. New Rule 13-404 adds a procedure by which relief from the stay may be obtained.

Chapter 600, which currently contains only Rule 13-601 (Abandonment of Property and Records), is renamed "Disposition of Property," reflecting the addition of new Rules 13-602 (Assumption, Rejection, or Assignment of an Executory Contract) and 13-603 (Use and Transfer of Estate Property other than in the Ordinary Course of Business) to the Chapter.

Chapter 700 is renamed from "Removal and Resignation" to "Removal; Resignation; Termination of Proceeding" to reflect the addition of new Rule 13-704 (Termination of Proceeding) to the Chapter.

Except for the initial petition to commence the action referenced in Rule 13-104, throughout the Rules in Title 13, the procedure to obtain any relief is now by "motion" rather than by "application," "objection," or "petition."

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-102. SCOPE

(a) Generally

~~Except as provided in section (b),~~ The Rules in this Title apply to actions and proceedings in the a circuit court to the estate of:

(1) ~~an assignee;~~ to assume jurisdiction over and administer an assignment for the benefit of creditors; and

(2) for the appointment of a receiver appointed under the general equitable power of a court to take charge of an estate; and the administration of a receivership proceeding.

~~(3) a receiver appointed under any statutory provision that specifically provides that these Rules apply to the proceeding; and~~

~~(4) any other statutory receiver to the extent that (A) the Rules in this Chapter are not inconsistent with the statutory provisions authorizing the appointment of the receiver, and (B) the court orders that the Rules apply.~~

(b) ~~No application~~ Exceptions

(1) The Rules in this Title do not apply to ~~the estate of:~~

~~(1) a receiver appointed pursuant to the terms of a mortgage or deed of trust pending foreclosure who takes charge of only the property subject to that mortgage or deed of trust;~~

~~(2) a receiver appointed pursuant to the terms of a security agreement who takes charge of only the property subject to that agreement; or~~

~~(3) a person appointed for purposes of enforcement of health, housing, fire, building, electric, licenses and permits, plumbing, animal control, or zoning codes or for the purpose of abating a public nuisance.~~

(A) receivership proceedings commenced under Rule 3-722, except that the District Court may apply a Rule in this Title to the extent that such application is not inconsistent with Rule 3-722 and is within the jurisdiction of the District Court.

(B) receivership proceedings commenced under Code, Commercial Law Article, § 24-201(b), except that Rules 13-101 through 13-108, 13-301 through 13-303, 13-501 (c) - (g), 13-601 through 13-603, and 13-701 through 13-704 apply in those proceedings.

(2) If, as part of an assignment or receivership proceeding, or in anticipation of such a proceeding, a foreclosure action subject to the Rules in Title 14 is commenced, the Rules in that Title apply and prevail with respect to the foreclosure proceeding.

Committee Note: Code, Commercial Law Article, § 24-201(b) permits a court to appoint a receiver in connection with a commenced or anticipated foreclosure action under certain circumstances. Because foreclosure proceedings may be commenced only by the mortgagee or trustee, or the agent or assignee of the mortgage or trustee, and are subject to special procedures, requirements, and limitations, the Rules in Title 14 will apply to such proceedings. It is recommended that the same judge preside over both the foreclosure and the receivership proceedings to assure that both proceed efficiently and in harmony.

Source: This Rule is derived in part from former Rule BP1 b and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-103. APPLICABILITY OF OTHER RULES

~~(b)~~(a) ~~Title 2 Rules~~ Generally

~~The Title 2 Rules apply to proceedings under this Title except~~ Except to the extent that a Rule in this Title is inconsistent with a particular Rule in Title 2 or the court determines that the application of a rule in Title 2 would be inappropriate of any inconsistency with the Rules in this Title, the other applicable Maryland Rules apply to proceedings under this Title. To the extent there is any inconsistency, the Rules in this Title prevail.

~~(a)~~(b) Discovery

~~A receiver, an assignee, or any person in a contested matter may obtain discovery pursuant to~~ Except as otherwise provided in this Title, the Rules in Title 2, Chapter 400 of these Rules. Any other person having an interest in the estate may obtain discovery only upon order of the court apply to discovery in actions under this Title.

~~(c) Other Rules~~

~~Except as otherwise specifically provided in this Title,  
the procedures for making a sale of property of the estate shall  
be governed by Title 14, Chapter 300 of these Rules.~~

Source: This Rule is in part derived from former Rule BP5 and  
is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-104. ~~SERVICE~~ COMMENCEMENT OF ACTION

~~Unless otherwise specifically provided by the Rules in this Title or ordered by the court, no paper required or permitted to be filed by a Rule in this Title need be served on any person.~~

(a) Assignment

(1) How Commenced

An assignment for the benefit of creditors proceeding is commenced by the filing of a petition to assume jurisdiction over the assignment.

(2) Who May File

The petition shall be filed by the assignee.

(3) Where Filed

The petition shall be filed in the circuit court for any county in which (A) the debtor resides, is employed, or maintains a place of business, or (B) where some part of the estate is located.

(4) Contents

(A) The petition shall: (i) contain the name, address, and e-mail address of the assignor and the assignee; (ii) be accompanied by the executed assignment; (iii) if the assignor is

a corporation, be accompanied by all required corporate resolutions or contain a statement that all such resolutions have been executed; (iv) state the nature, approximate value, and location of the property comprising the estate, to the best of the petitioner's knowledge, information, and belief; and (v) contain or be accompanied by the name, address, and e-mail address, to the extent known, of all interested persons known to the petitioner and a statement of the efforts made by the petitioner to identify and locate other possible interested persons.

(B) If any information in the assignment is subject to shielding pursuant to the Rules in Title 16, Chapter 900, the petition shall be accompanied by a copy of the assignment with the shielded information redacted.

(b) Receivership

(1) How Commenced

A receivership proceeding is commenced by the filing of a petition, except that if a receivership is sought in a pending action, the receivership proceeding may be commenced by the filing of a motion in that action. The motion shall comply with the requirements of a petition set forth in subsection (b) (4) of this Rule.

(2) Who May File



The petition may be filed by any person with statutory or common law standing. If the receivership is sought in a pending action, the motion may be filed by any party to that action.

Cross reference. See, in general, Spivey-Jones v. Trans Healthcare, 438 Md. 330 (2014), noting the existence of both equitable or chancery receiverships and statutory receiverships. For standing in equitable receiverships, see Frigidraft, Inc. v. Michel, 198 Md. 511 (1951).

(3) Where Filed

The petition shall be filed in the circuit court for any county in which (A) the debtor resides, is employed, or maintains a place of business, or (B) where some part of the estate is located.

(4) Contents

A petition to commence a receivership shall: (A) state the name, address, and e-mail address of the petitioner and the alleged debtor, averments showing that the petitioner is authorized by law to file the petition and the basis for the petition, the name, address, and e-mail address of the person the petitioner seeks to have appointed as the receiver, and averments showing that such person is legally qualified to be appointed as a receiver; and (B) contain or be accompanied by a list of the names, addresses, and e-mail addresses, to the extent known, of all interested persons known to the petitioner

and a statement of the efforts made by the petitioner to identify and locate other possible interested persons.

Cross reference: See Code, Commercial Law Article, § 24-201 for the circumstances in which a receiver may be appointed pursuant to Title 24. See § 24-203 for disqualifications for appointment as a receiver.

(c) Show Cause Order

Upon the filing of a petition or motion under this Rule, the court shall issue a show cause order directing a person to show cause in writing on or before a specified date why the court should not take the action described in the order. The petition or motion, together with the show cause order, shall be served on the debtor in the manner directed by the Court.

(d) Hearing

Unless no interested party timely requests a hearing, after service of the show cause order and the petition or motion, the court promptly shall hold a hearing.

Source: this Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-105. APPOINTMENT PRIOR TO NOTICE

(a) Grounds for Appointment

Upon a verified motion by the petitioner, the court may issue an order appointing a receiver before service of the show cause order and petition or motion only if (1) on evidence presented by the petitioner, the court finds on the record that the appointment is urgently required to preserve or protect property that will be receivership property from imminent waste, loss, transfer, dissipation or impairment, and (2) the petitioner posts security that satisfies the requirements of Code, Commercial Law Article, § 24-201(c)(1).

(b) Order

The order shall specify the authority granted to the receiver pending further proceedings.

(c) Modification or Termination of Appointment

Upon motion of any person joined as a party in the receivership and after a hearing, the court may modify or terminate the order.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

~~Rule 13-106. PETITION FOR ASSUMPTION OF JURISDICTION OVER ESTATE OF AN ASSIGNEE~~

~~(a) Venue~~

~~A petition requesting the court to assume jurisdiction over the estate of an assignee shall be filed in the county where the debtor resides, is employed, or maintains a place of business, or in any county where some part of the estate is located.~~

~~(b) Contents of Petition~~

~~A petition for the assumption of jurisdiction over the estate of an assignee shall be signed by the petitioner and shall contain at least the following information:~~

~~(1) the name and address of the assignee;~~

~~(2) a statement that an assignment for the benefit of creditors has been executed;~~

~~(3) in the case of a corporation, a statement indicating that articles of transfer transferring assets to the assignee have been executed;~~

~~(4) in the case of a corporation, a statement indicating that required corporate resolutions have been executed; and~~

~~(5) the nature, approximate value, and location of the property comprising the estate, to the best of the petitioner's knowledge, information, and belief.~~

~~(c) Exhibits to Petition~~

~~The petitioner shall attach to the petition a copy of the following documents or shall explain in the petition their absence:~~

~~(1) the executed assignment for the benefit of creditors;~~  
~~(2) in the case of a corporation, the executed articles of transfer and the executed corporate resolutions of the corporation; and~~

~~(3) the affidavit of an assignee, as required by Rule 13-302.~~

~~Source: This Rule is new.~~

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

Rule ~~13-105~~ 13-106. ELIGIBILITY TO SERVE AS RECEIVER, ASSIGNEE,  
OR PROFESSIONAL

(a) Generally Receiver or Assignee

~~Except as otherwise provided by law or by section (b) of this Rule, a person may not serve as a receiver or assignee, or as an attorney, accountant, appraiser, auctioneer, or other professional representing or assisting the receiver or assignee, if the person:~~

~~(1) is a creditor or a holder of an equity security of the debtor;~~

~~(2) is or was an investment banker for any outstanding security of the debtor;~~

~~(3) has been, within three years before the date of the appointment of a receiver or the assumption of jurisdiction over the estate of an assignee, an investment banker for a security of the debtor, or an attorney for such an investment banker, in connection with the offer, sale, or issuance of a security of the debtor;~~

~~(4) is or was, within two years before the date of the appointment of a receiver or the assumption of jurisdiction over~~

~~the estate of an assignee, a director, an officer, or an employee of the debtor or of an investment banker specified in subsection (2) or (3) of this section, except that an employee of the debtor may serve as an assignee if the court finds that this is in the best interest of the estate and that there is no actual conflict of interest by reason of the employment;~~

~~(5) has an interest materially adverse to the interest of any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in the debtor or an investment banker specified in subsection (2) or (3) of this section, or for any other reason;~~

~~(6) otherwise has or represents an interest adverse to the estate;~~

~~(7) has, at any time within five years before the date of the appointment of a receiver or the assumption of jurisdiction over the estate of an assignee, represented or been employed by the debtor or any secured creditor as an attorney, accountant, appraiser, or other professional, if the court finds an actual conflict of interest by reason of the representation or employment;~~

~~(8) is an "insider" as defined by 11 U.S.C. § 101; or~~

~~(9) represents or is employed by an unsecured creditor of the debtor and, on objection of a person in interest, the court~~



~~finds an actual conflict of interest by reason of the representation or employment.~~

A person who is disqualified under Code, Commercial Law Article, § 24-203(b) may not be appointed as a receiver and shall be replaced as an assignee.

(b) ~~Special Counsel or Accountant~~ Professionals Generally

A person may not serve as An an attorney, or accountant, who has represented or has been employed by the debtor is eligible to serve for a specified limited purpose if the employment is in the best interest of the estate and if the attorney or accountant does not represent or hold any interest materially adverse to the debtor or to the estate with respect to the purpose for which the attorney or accountant is to be employed. appraiser, auctioneer, or other professional representing or assisting a receiver or assignee unless the person provides a statement, under penalty of perjury, as set forth in Rule 13-302, that demonstrates that the eligibility requirements under Code, Commercial Law Article, § 24-303 are satisfied.

(c) Ineligibility No Bar to Assumption of Jurisdiction

The court shall not refuse to assume jurisdiction over the estate of a debtor or appoint a receiver solely because it finds that the proposed assignee or receiver is ineligible to serve under this Rule. After assuming jurisdiction, the court shall

remove the ineligible assignee or receiver pursuant to Rule 13-701 and may take any action permitted or required by Rule 13-703.

Source: This Rule is derived in part from former Rule BP3 a and c, ~~and~~ is in part derived from 11 U.S.C. § 101 and § 327, and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 100 - GENERAL PROVISIONS

Rule 13-107. BOND

(a) ~~Duty to File~~ Bond Requirement

~~Before taking charge of an estate, a receiver shall file a bond in the court in which the receiver has been appointed and an assignee shall file a bond in the court in which a petition to assume jurisdiction of the estate has been filed.~~

The order for appointment of a receiver or assignee shall state whether the appointment is conditioned upon the filing of a bond and, if a bond is required, the amount of the bond.

(b) Amount of Bond

Notwithstanding any provision in Rule 1-402, the amount of the bond shall be no greater than the net value of the property of the estate. In the event of a later sale of property by the receiver or assignee, upon request, the court shall evaluate the bond previously filed and may permit a decrease in the amount of the bond.

(c) Motion to Modify Amount of Bond

~~If a~~ A receiver, assignee, or interested party may file a motion to modify the amount of a bond is filed pursuant to Rule 1-402, notice shall be given to such persons as the court may

~~direct.~~ The motion shall be served as provided under Rule 13-107 13-108 (a) and Code, Commercial Law Article, § 24-501 (d), or upon such persons as the court may direct.

(d) Terms of Bond

The bond shall be to the State of Maryland and shall be conditioned upon the faithful discharge of the duties of the receiver or assignee. In a receivership subject to Code, Commercial Law Article, Title 24, the bond shall comply with § 24-204 of that Article.

(e) Payment of Bond Premium from Estate

Unless the court orders otherwise, a receiver or assignee ~~is entitled to~~ may pay advance the bond premium and be allowed reimbursement of the cost of the premium from ~~out of~~ the estate.

Source: This Rule is derived in part from former Rule V73 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 100 - GENERAL PROVISIONS

Rule 13-108. SERVICE OF PAPERS

(a) Filing Master Service List

The receiver or assignee shall file and maintain a master service list, and, at least once every 120 days, file with the court an updated master service list.

(b) Master Service List

In accordance with Code, Commercial Law Article, § 24-501

(c), the master service list shall consist of the names, mailing addresses, and, where available, facsimile numbers and e-mail addresses of the receiver or assignee, the debtor, all persons known by the receiver or assignee to have asserted any ownership or lien in property of the estate, all persons joined as parties in the proceeding, all attorneys of record and all persons who file an entry of appearance.

(c) General Requirement

Unless otherwise ordered by the court, a motion or other paper shall be served in accordance with Code, Commercial Law Article, § 24-501 (d) on:

(1) all persons on the master service list;

(2) all persons that have asserted an ownership interest or lien in receivership property that is the subject of the motion;

(3) all persons that are identified in the motion as directly affected by the relief requested; and

(4) any other person that the court directs.

(d) Entry of Appearance

A person that is a creditor or party in interest and wishes to receive notices in a proceeding shall file with the clerk a notice of appearance stating the person's name, mailing address, email address, facsimile number, and telephone number and provide a copy of the notice to the receiver or assignee.

(e) Notices to Creditors

The receiver, assignee, or other person that files a motion shall include in the motion a notice section that states: (1) the deadline for filing and serving objections to the motion and any requests for a hearing; (2) the effect of a failure to respond to the motion or to attend any hearing the court may set; and (3) that, in the absence of a timely filed and served objection and request for a hearing, the court may rule on the motion without further notice or hearing.

(f) Content of Objection

An objection shall state the legal and factual basis for it and may be accompanied by a memorandum of fact and law. The objection shall contain a certificate of service certifying that

a copy of the objection and of any supporting memorandum have  
been sent to each person who was served with the motion.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. NOTICE TO CREDITORS

- (a) Notice by Receiver or Assignee
- (b) After Filing of Financial Documents
- (c) Later-Discovered Creditors
- (d) Notice to Other Maryland Courts with Pending Actions
- (e) Notice of Termination of Automatic Stay

Rule 13-202. FINANCIAL DOCUMENTS

- (a) Preparation and Filing by Debtor
- (b) Preparation and Filing by Receiver or Assignee
- (c) Failure of Receiver or Assignee to File Documents
- (d) Order Compelling Disclosure; Sanction



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 200 - NOTICE AND SCHEDULES

Rule 13-201. ~~PUBLICATION OF~~ NOTICE TO CREDITORS

(a) Notice by Receiver or Assignee

~~Promptly but in no event~~ No later than ~~5~~ five days after the court appoints a receiver, or assignee, or assumes jurisdiction over ~~the~~ an estate ~~of an assignee~~, the receiver or assignee shall ~~file~~ prepare, mail, and cause any publication of ~~the~~ a form of Notice to Creditors with ~~the clerk, who shall~~ issue the Notice required under Code, Commercial Law Article, § 24-302 (a) and (b). The receiver or assignee shall ~~cause~~ file a certificate of mailing or publication of the Notice ~~to be~~ published within five days after the initial mailing or publication.

~~(b) Form of Notice~~

~~The Notice to Creditors shall be substantially in one of the following three forms, as applicable:~~

~~{CAPTION}~~

~~NOTICE TO CREDITORS BY RECEIVER~~

~~TO ALL PERSONS INTERESTED IN THE ESTATE OF \_\_\_\_\_, DEBTOR~~

~~Notice is given with respect to \_\_\_\_\_,~~

\_\_\_\_\_ (Name in bold type)  
whose business address is \_\_\_\_\_

\_\_\_\_\_ and whose business is \_\_\_\_\_,  
that this Court has appointed \_\_\_\_\_

\_\_\_\_\_ (Name in bold type)  
whose address is \_\_\_\_\_, as Receiver.

All persons having claims against the Debtor should file them,  
under oath, with the Clerk of the Circuit Court at the address  
below not later than 120 days from the date this Notice was  
issued.

\_\_\_\_\_  
Date Notice Issued \_\_\_\_\_ Clerk of the Circuit Court for

\_\_\_\_\_  
(County or Baltimore City)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Receiver \_\_\_\_\_ Attorney for Receiver

\_\_\_\_\_  
Address \_\_\_\_\_ Address

\_\_\_\_\_  
Telephone Number \_\_\_\_\_ Telephone Number

{CAPTION}

~~NOTICE TO CREDITORS BY ASSIGNEE~~

~~TO ALL PERSONS INTERESTED IN THE ESTATE OF \_\_\_\_\_, DEBTOR~~

~~Notice is given with respect to \_\_\_\_\_,~~

~~\_\_\_\_\_ (Name in bold type)~~

~~whose business address is \_\_\_\_\_~~

~~and whose business is \_\_\_\_\_,~~

~~that the Debtor has executed an Assignment for the Benefit of~~

~~Creditors and that \_\_\_\_\_,~~

~~\_\_\_\_\_ (Name in bold type)~~

~~whose address is \_\_\_\_\_~~

~~has been designated as Assignee.~~

~~The deed of assignment [ ] does [ ] does not contain a provision~~

~~requiring creditors to release their claims against the debtor~~

~~as a condition to (1) sharing in the distribution under the deed~~

~~or (2) being accorded a preferred status over other creditors.~~

~~All persons having claims against the Debtor should file them,~~

~~under oath, with the Clerk of the Circuit Court at the address~~

~~below not later than 120 days from the date this Notice was~~

~~issued.~~

\_\_\_\_\_  
\_\_\_\_\_

~~Date Notice Issued \_\_\_\_\_ Clerk of the Circuit Court for~~

\_\_\_\_\_  
\_\_\_\_\_



\_\_\_\_\_  
(Name in bold type)

whose address is \_\_\_\_\_

has been appointed as Receiver pursuant to Code, Commercial Law  
Article, § 6-106.

All persons having claims against the Transferor should file  
them, under oath, with the Clerk of the Circuit Court at the  
address below not later than 120 days from the date this Notice  
was issued.

\_\_\_\_\_

Date Notice Issued \_\_\_\_\_ Clerk of the Circuit Court for

\_\_\_\_\_

\_\_\_\_\_ (County or Baltimore City)

\_\_\_\_\_

\_\_\_\_\_ Address

\_\_\_\_\_

\_\_\_\_\_

Receiver \_\_\_\_\_ Attorney for Receiver

\_\_\_\_\_

Address \_\_\_\_\_ Address

\_\_\_\_\_

Telephone Number \_\_\_\_\_ Telephone Number

(c) Where Published; Frequency

A copy of the Notice to Creditors shall be published in a  
newspaper of general circulation in the county where the court

~~is located. The Notice shall be published at least once a week in each of three successive weeks, and the last publication shall occur not less than ninety days before the date specified in the Notice as the last day for filing claims.~~

~~(d) Certificate of Publication~~

~~On or before the last day for filing claims, the receiver or assignee shall file a certificate that publication has been made pursuant to this Rule.~~

(b) After Filing of Financial Documents

Within five days after the filing of the financial documents required by Rule 13-202 (a), the receiver or assignee shall send a copy of the notice required by section (a) by mail to all creditors shown on the documents to whom the notice was not sent pursuant to section (a) of this Rule. Within five days after such mailing, the receiver or assignee shall file a certificate of mailing.

(c) Later-Discovered Creditors

The receiver or assignee shall promptly send a copy of the notice required by section (a) by mail to each creditor whose identity is discovered after the mailing of the notice under sections (a) or (b). Within five days after such mailing, the receiver or assignee shall file a certificate of mailing.

(d) Notice to Other Maryland Courts with Pending Actions

If the financial documents that are required to be filed under Rule 13-202 disclose a civil action in another Maryland court that was pending at the time of the appointment of the receiver or the assumption of jurisdiction over the estate of the assignee, the receiver or assignee, within ten days after the filing of such financial documents, shall send a notice substantially in the form approved by the State Court Administrator and posted on the Judiciary website of the receiver's appointment or the assumption of jurisdiction over the assignee's estate, and the automatic stay arising under Code, Commercial Law Article, § 24-401 to the following persons:

- (1) the clerk of each Maryland court where the debtor is a party to a pending civil action and all parties of record; and
- (2) parties handling a non-judicial foreclosure.

(e) Notice of Termination of Automatic Stay

Within ten days after entry of an order under Rule 13-704 terminating the receivership or assignment for the benefit of creditors, the receiver or assignee shall file a notice of the termination of the automatic stay in any action in which the notice required under section (d) of this Rule was filed. The notice shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

Source: This Rule is derived in part from former Rule BP4 a 1, and in part from former Rule BP4 a 2, and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 200 - NOTICE AND SCHEDULES

~~Rule 13-202. MAILING OF NOTICE TO CREDITORS~~

~~(a) After Appointment of Receiver or Assumption of  
Jurisdiction~~

~~Within five days after the clerk issues the Notice to  
Creditors, the receiver or assignee shall send a copy of the  
Notice by first class mail, postage prepaid, to all known  
creditors of the debtor. The receiver or assignee shall file a  
certificate of mailing of the Notice within five days after the  
initial mailing.~~

~~(b) After Filing of Schedule~~

~~Within five days after the expiration of the time for the  
debtor to file the schedule required by Rule 13-203, the  
receiver or assignee shall send a copy of the Notice by first  
class mail, postage prepaid, to all creditors shown on the  
schedule to whom the Notice was not sent pursuant to section (a)  
of this Rule. Not later than the last day for filing claims, the  
receiver or assignee shall file a certificate of mailing.~~

~~(c) Later-Discovered Creditors~~

~~The receiver or assignee shall promptly send a copy of the  
Notice by first class mail, postage prepaid, to all creditors~~

~~whose identity is discovered at any time after the schedule is filed or the expiration of the time for filing it. Not later than the last day for filing the final report and account, the receiver or assignee shall file a certificate of mailing.~~

~~Source: This Rule is in part derived from former Rule BP4-a-2 and is in part new.~~

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 200 - NOTICE AND SCHEDULES

Rule ~~13-203~~ 13-202. SCHEDULE FINANCIAL DOCUMENTS

(a) Preparation and Filing by Debtor

~~Within~~ Subject to a court order, within 15 days after the court appoints a receiver or assumes jurisdiction over the estate ~~of an assignee~~, the debtor shall ~~prepare~~ complete and file ~~with the clerk a schedule of property and debts under oath.~~ in the proceeding, with copies to the receiver or assignee, the Schedules of Assets and Liabilities and Statement of Financial Affairs substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

~~(b) Form of Schedule~~

~~The debtor's schedule shall be in substantially the following form:~~

~~{CAPTION}~~

~~SCHEDULE OF PROPERTY AND DEBTS~~

Name of Debtor \_\_\_\_\_  
\_\_\_\_\_  
Residence Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Occupation/Nature of Business \_\_\_\_\_  
\_\_\_\_\_

Business Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I solemnly affirm under the penalties of perjury that the contents of the attached schedule are true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
 Date Signature of Debtor

**A. Property of Debtor**

Nature and description	Location	Estimated Market Value	Amount of Lien or Encumbrance
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

**B. Debts and Taxes Owed by Debtor**

	Name and address of creditor, including taxing authority	Security held by creditor, if any	Whether claim is contingent, unliquidated, or disputed	Nature of and consideration for the debt	Amount due or claimed
1.	Priority Claims	-	-	-	-
	A. Taxes	-	-	-	-
	B. Wages	-	-	-	-
	C. Other	-	-	-	-
2.	Secured Creditors	-	-	-	-
3.	General Unsecured Creditors	-	-	-	-

**C. Recent Transfers**

1. Did the Debtor transfer or dispose of any property, other than in the ordinary course of business, to a spouse during the three years immediately preceding the making of the assignment for the benefit of creditors or the appointment of the receiver?

~~—~~                      ~~—~~  


---

 Yes                      No

2. Did the Debtor transfer or dispose of any property, other than in the ordinary course of business, to anyone other than a spouse during a period of one year immediately preceding the making of the assignment for the benefit of creditors or the appointment of the receiver?

~~—~~                      ~~—~~  


---

 Yes                      No

3. If the answer to either of the above questions is "Yes," give the following information as to each transfer or disposition:

<del>Date of transfer or disposition</del>	<del>Transferee and relation to debtor, if any</del>	<del>Description of property</del>	<del>Consideration and disposition thereof</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>

~~D. Property Claimed as Exempt (applies only to individuals).~~

<del>Nature and description</del>	<del>Location</del>	<del>Basis for exemption</del>	<del>Estimated market value</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>
<del>—</del>	<del>—</del>	<del>—</del>	<del>—</del>

~~(e)(b) Preparation and Filing by Receiver or Assignee~~

If the debtor or designated party fails to file the schedule financial documents required by section (a) within the required time deadline set for such filing, the receiver or assignee, to the extent able to supply the information, shall

prepare and file a ~~schedule containing the information required by section (b) of this Rule~~ the documents. The ~~schedule documents~~ shall be filed within 30 days after the debtor's required filing date or such other date as the court orders.

~~(d)~~(c) Failure of Receiver or Assignee to File Schedule Documents

If a receiver or assignee who is required to file a ~~schedule~~ the documents required by section (a) fails to do so within the required time, any ~~person having an interest~~ creditor may file a ~~report of~~ motion regarding the delinquency ~~with the court~~. Upon the filing of a ~~report~~ the motion or on its own initiative, the court may issue an order to the receiver or assignee to show cause in writing on or before a specified date why the receiver or assignee should not be compelled to file the ~~schedule documents~~ or be removed. ~~Unless the court orders otherwise, the specified date shall be 20 days after the date prescribed for service in the order. The order shall also specify the persons to be served with the order, the method of service, and, if a hearing is scheduled when the order is issued, the date, time, and place of the hearing.~~ Unless cause is shown or the ~~schedule is~~ financial documents required by this Rule are filed, the court shall remove the receiver or assignee pursuant to Rule 13-701 and may take any action permitted or required by Rule 13-703.

~~(e)~~(d) Order Compelling Disclosure; Sanction

~~The~~ Upon a motion of the receiver or assignee, or on the court's initiative, the court at any time may order the debtor, an officer or director of the debtor a designated party or parties, or any other person who may have information that is necessary for the filing or completion of the ~~schedule~~ financial documents required by section (a) to appear before the court or before an examiner pursuant to Rule 2-542 and to disclose the such information. If the debtor, an officer or director of a debtor the designated party or other person who refuses to comply with an order compelling disclosure; the court may be held hold the offending party in contempt pursuant to Title 15, Chapter 200 of these Rules.

Source: This Rule is derived in part from former Rule BP2 a and b and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER, AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

- (a) Court Approval Required
- (b) Prior Approval of Compensation in Certain Instances

Rule 13-302. AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONAL

- (a) Required Disclosure by Affidavit of Receiver or Assignee
- (b) Required Disclosure by Affidavit of Other Professional
- (c) When Filed
- (d) Supplemental Disclosure
- (e) Penalty for Failure to Disclose Required Information

Rule 13-303. COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE, AND PROFESSIONAL

- (a) Motion for Allowance of Compensation and Expenses
- (b) Allowance
- (c) Sharing of Compensation



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-301. EMPLOYMENT OF ATTORNEY, ACCOUNTANT, APPRAISER, AUCTIONEER, BROKER, OR OTHER PROFESSIONAL

(a) Court Approval Required

~~A receiver or assignee shall not employ an attorney, accountant, appraiser, auctioneer, or other professional without prior approval of the court. With the court's prior approval, a receiver or assignee may serve as attorney or accountant for the estate.~~

An order approving the employment of attorneys, accountants, appraisers, auctioneers, brokers, or other professionals under Code, Commercial Law Article, § 24-303, shall be entered only upon motion of the receiver or assignee. The motion shall set forth (1) the necessity for the employment, (2) the information required by Code, Commercial Law Article, § 24-303 (a) (3), and (3) if the schedule required by Rule 13-202 has not been filed, the nature and approximate amount of the debtor's property and debts. The motion shall be accompanied by the affidavit required by Rule 13-302. A receiver or assignee may serve as attorney or accountant for the estate with court approval.

~~(b) Application; Contents~~

~~An application requesting authority to employ an attorney, accountant, appraiser, auctioneer, or other professional shall be accompanied by the affidavit required by Rule 13-302 and shall set forth:~~

~~(1) the necessity for the employment; and~~

~~(2) in the event the schedule required by Rule 13-203 has not been filed, the nature and approximate amount of the debtor's property and debts.~~

(b) Prior Approval of Compensation in Certain Instances

If the ~~application~~ motion requesting authority to employ an attorney, accountant, appraiser, auctioneer, broker, or other professional sets forth in reasonable detail the basis for the proposed compensation of the person to be employed, the court, ~~by order~~, may authorize compensation to be paid without further order of court for work completed within stated limits. This ~~section~~ Rule does not apply to a receiver or an assignee who serves as attorney or accountant for the estate.

Source: This Rule is derived in part from former Rule BP6 a and b and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-302. ~~DISCLOSURE BY~~ AFFIDAVIT OF RECEIVER, ASSIGNEE, AND PROFESSIONALS

(a) Required Disclosure by Affidavit of Receiver or Assignee

~~A receiver or assignee and each attorney, accountant, auctioneer, or other professional to be employed by the assignee or receiver shall file an affidavit that states the following:~~

~~(1) whether the person has, within five years before the date of the appointment of a receiver or the assumption of jurisdiction over the estate of an assignee, represented or been employed by the debtor, an insider of the debtor as defined by 11 U.S.C. § 101, any secured or unsecured creditor of the debtor, or an investment banker of the debtor, and the nature of the representation or employment;~~

~~(2) if the debtor, insider, secured or unsecured creditor, or investment banker is a corporation, association, or partnership, whether the assignee, receiver, accountant, appraiser, auctioneer, or other professional had, within five years before the date of the appointment of a receiver or the assumption of jurisdiction over the estate of an assignee, any~~

~~financial interest in the corporation, association, or partnership and the extent of the financial interest; and~~

~~(3) that the person is not disqualified for any of the reasons set forth in Rule 13-105.~~ containing all of the information that would demonstrate eligibility under Code, Commercial Law Article, § 24-203(b).

(b) Required Disclosure by Affidavit of Other Professional

Each attorney, accountant, appraiser, auctioneer, broker, or other professional to be employed by the assignee or receiver shall file an affidavit containing all of the information that would demonstrate eligibility under Code, Commercial Law Article, § 24-303.

(c) ~~(b)~~ When Filed

The affidavit shall be filed:

(1) by an assignee, with the petition;

(2) by a receiver, ~~prior to assuming the duties of office~~ with the petition or motion seeking appointment of the receiver;

(3) by an attorney, accountant, appraiser, auctioneer, broker, or other professional, with the ~~application~~ motion requesting authority to employ the person.

(d) ~~(e)~~ Supplemental Disclosure

A person who has filed an affidavit under this Rule and who learns that the information in the affidavit is inaccurate or incomplete shall promptly file a supplemental affidavit.

(e)~~(d)~~ Penalty for Failure to Disclose Required Information

In addition to any other remedies provided by law, the court, pursuant to Rule 13-701, may remove any person who fails to disclose any information required to be disclosed by this Rule and may take any action permitted or required by Rule 13-703.

Source: This Rule is derived in part from former Rule BP3 a, b, and d and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 300 - EMPLOYMENT OF PROFESSIONALS

Rule 13-303. ~~DISCLOSURE~~ COMPENSATION AND EXPENSES BY RECEIVER, ASSIGNEE, AND PROFESSIONALS

(a) ~~Application~~ Motion for Allowance of Compensation and Expenses

Except to the extent provided in the order appointing a receiver in a proceeding filed under Code, Commercial Law Article, § 24-103 (a)(1), or except as provided in Code, Commercial Law Article, § 24-303 (d)(2) or Rule 13-301 (b), before a receiver, assignee, or any person performing services for the estate pursuant to Rule 13-301 is paid compensation or reimbursed for expenses not previously approved by the court, the receiver or assignee shall file with the court an ~~application~~ a motion for the allowance of compensation and expenses. The ~~application~~ motion shall include the information required by Code, Commercial Law Article, § 24-303 (c)(1), and also shall include:

- ~~(1) the estimated gross amount of the estate;~~
- ~~(2) the estimated total of the sums to be paid for liens, preferences, and costs of administration;~~

~~(3) the estimated approximate sum for distribution among secured, priority, and unsecured creditors;~~

~~(4) a detailed description of the services rendered, time expended, and expenses incurred;~~

(1)~~(5)~~ the amount of compensation and expenses requested;

(2)~~(6)~~ the amount of any compensation or expenses previously allowed by the court to the movant;

(3)~~(7)~~ the amount of any compensation and expenses received from or to be paid by any source other than the estate; and

(4)~~(8)~~ a detailed description of any agreement or understanding for a division of the compensation between the person rendering services and any other person except those specifically permitted to share in compensation by section (c) of this Rule.

(b) Allowance

The court shall review the motion and any evidence presented and shall determine the appropriate amount of compensation and expenses to be paid to the receiver, assignee, or person performing services for the receiver or assignee. In determining the amount, the court is not bound by any compensation or commission fixed in an assignment for the benefit of creditors or in any other agreement not approved by the court.

(c) Sharing of Compensation

Without the express written approval of the court, a receiver, assignee, or person performing services for a receiver or assignee shall not, in any form or manner, share or agree to share compensation for services rendered with any person other than a partner, employer, or regular employee of the person rendering services.

Source: This Rule is derived in part from former Rule BP7 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

- (a) Time for Filing
- (b) Extension of Time
- (c) Form
- (d) Assignment of Claim

Rule 13-402. OBJECTIONS TO CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

Rule 13-404. RELIEF FROM STAY

- (a) Motion
- (b) Contents
- (c) Service

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-401. PROOF OF CLAIM

(a) Time for Filing

~~Any person who wishes to make a claim against the estate of a debtor shall file a verified A proof of claim with the clerk. in a proceeding filed under Code, Commercial Law Article, § 24-103 (a) (2) or (3), or in a proceeding filed by an assignee, the proof of claim shall be filed within 120 days after the later of the date of the notice to creditors is issued by the clerk or the date of the most recent publication of the notice, under Rule 13-201.~~

(b) Extension of Time

~~The court may extend the time for filing a proof of claim for good cause upon the filing of a motion by any person.~~

~~(c) Late Filed Claims~~

~~(1) Before Reference to Auditor~~

~~A proof of claim that is filed late but before any reference to an auditor for the stating of an account is entitled to the same consideration for distribution as a timely filed proof of claim.~~

~~(2) After Reference to Auditor~~

~~A person who files a proof of claim after reference to an auditor is not entitled to participate in the next distribution unless the court on application of the claimant and for good cause shown orders otherwise. If the court permits participation, it may order the claimant to pay the cost of restating the account if the auditor must do so in whole or in part to include the claim. A proof of claim filed too late to be included in one or more auditor's accounts, if allowed, shall be included in any subsequent account, and the claimant is entitled to receive a distribution on the same basis as those already received by other creditors on prior accounts. The distribution shall be made before those creditors receive any further distribution. Thereafter, the claimant shall share with them in any future distributions.~~

(c) ~~(b)~~ Form

A proof of claim, together with supporting documentation, shall be ~~in~~ substantially the following in the form with ~~supporting documentation attached as indicated:~~

~~{CAPTION}~~

~~CLAIM AGAINST DEBTOR~~

~~The claimant certifies that the debtor owes the claimant the sum of \$\_\_\_\_\_.~~

BY \_\_\_\_\_  
Name of Claimant

~~The consideration or basis for the debt is \_\_\_\_\_.~~

~~The debt is~~

~~÷~~

~~[ ] an unsecured claim in the amount of \$ \_\_\_\_\_ (attach statement of account, invoices, promissory notes, or other evidence of claim); or~~

~~[ ] a secured claim in the amount of \$ \_\_\_\_\_ (attach evidence of perfection of security interest).~~

~~The undersigned certifies, in accordance with the verification below, that the debtor is indebted to the claimant in the amount shown, that there is no security for the debt other than that stated above or in an attachment to this claim form, that no unmatured interest is included, and that the undersigned is authorized to make this claim.~~

~~[ ] I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of the foregoing claim are true; or~~

~~[ ] I solemnly affirm under the penalties of perjury that I am employed by the claimant firm as \_\_\_\_\_ (insert title); that the claimant keeps regular books of account; that the keeping of these books is in my charge or under my supervision; that the entries in these books were made in the regular course of business; and that the entries show the facts set forth in this claim.~~

\_\_\_\_\_  
Name of Claimant

\_\_\_\_\_  
Signature of claimant or person authorized to make verifications on behalf of claimant

\_\_\_\_\_  
Name and Title of Person Signing Claim

\_\_\_\_\_  
Address

Date

\_\_\_\_\_  
\_\_\_\_\_  
Telephone Number

Instructions:

~~If the claim is based upon an obligation owed jointly to two or more persons, any one of the joint creditors may verify the claim. If the claimant is a corporation, association, or partnership, any officer, partner, or authorized agent may verify the claim. If the original and all copies of a written instrument securing a claim are lost or destroyed, the claimant must attach a statement explaining the circumstances of the loss or destruction.~~

approved by the State Court Administrator and posted on the Judiciary website. The form shall comply with Code, Commercial Law Article, § 24-302(c).

(d) Assignment of Claim

If a claim has been assigned after a proof of claim has been filed, the transferee of the original claimant shall file a notice of assignment within 15 days after the date of such assignment. The notice of assignment of the claim shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary website.

Source: This Rule is derived in part from former Rule BP4 b and c and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-402. OBJECTIONS TO CLAIMS

An ~~objection~~ motion objecting to a proof of claim may be filed at any time before ~~final ratification of the auditor's account in which the claim is allowed.~~ entry of an order approving a receiver's or assignee's final report. The grounds for the ~~objection~~ motion shall be stated with particularity. The ~~objection~~ motion shall be served pursuant to ~~Rule 1-321~~ on the claimant, the claimant's counsel of record, if any, and, unless the receiver or assignee is the ~~objecting~~ moving party, on the receiver or assignee. ~~On request, the claimant or the objecting party is entitled to a hearing.~~

Source: This Rule is derived in part from former Rule BP4 d and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-403. COMPROMISE OF CLAIM OR DISPUTE

~~(a) Application~~

~~A On motion by a receiver or assignee, may file an application requesting the court to authorize or ratify may approve a compromise or settlement of any a claim or other dispute. matter relating to an estate.~~

~~(b) Ratification~~

~~If satisfied that the action is in the best interest of the estate, the court may authorize or ratify the proposed compromise or settlement and may impose any appropriate terms and conditions.~~

Source: This Rule is in part derived from former Rule V77 b 1 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE  
TITLE 13 - RECEIVERS AND ASSIGNEES  
CHAPTER 400 - CLAIMS

Rule 13-404. RELIEF FROM STAY

(a) Motion

A creditor or other interested party may file a motion seeking relief from the stay imposed by Code, Commercial Law Article, § 24-401.

(b) Contents

The motion shall state the grounds that constitute cause for relief from the stay. If the motion requests relief from the stay in order to enforce a lien or interest in real or personal property, the motion shall include:

(1) a verified, detailed statement of the debt owed to the movant, including the amount of arrearages accrued, if any;

(2) a description of the property and the security interest involved, with attached documents evidencing the security interest and its perfection;

(3) if the movant asserts a valuation, the amount of the valuation, its date, and the basis for the valuation (e.g., appraisal, vehicle valuation publication, etc.);

(4) the grounds that constitute cause; and

(5) the remedy sought.



(c) Service

The motion shall be served as provided under Rule 13-108 (c) and Code, Commercial Law Article, § 24-501(d), or upon such persons as the court may direct.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

- (a) Interim Report
- (b) Form of Interim Report
- (c) Final Report
- (d) Form of Final Report
- (e) Monthly Report if Conducting a Business
- (f) Further Accountability
- (g) Examination by Trust Clerk

Rule 13-502. DISTRIBUTION

- (a) Court Approval Required
- (b) Minimum Dividend
- (c) Disposition of Unclaimed Distributions
- (d) Distribution as Part of Final Report

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule 13-501. REPORTS

~~(a) Annual and Final Report; Filing~~

~~A receiver or assignee shall file an annual report under oath within 60 days after the end of the reporting period. The reporting period shall be (1) the year ending on the anniversary of the date upon which the court appointed the receiver or assumed jurisdiction over the estate; (2) upon notice to the trust clerk, any other one-year period chosen by the receiver or assignee, provided that the interval between the last report (or appointment or assumption of jurisdiction) and the report submitted shall not exceed one year; or (3) any other period ordered by the court. Before any interim or final distribution of the estate may be made, the receiver or assignee shall file a report for the period from the closing date of the last annual report until the proposed date on which the estate will be partially or fully distributed.~~

(a) Interim Report

An interim report shall be filed by a receiver or assignee at such times as the receiver or assignee determines is appropriate or as ordered by the court.

(b) Form of Interim Report

A Interim report shall be in substantially in the following form:

~~{CAPTION}~~

~~REPORT OF RECEIVER OR ASSIGNEE~~

Name of Debtor	Name of Receiver or Assignee
Reporting Period	to
<del>(month) (day) (year)</del>	<del>(month) (day) (year)</del>

~~1. Summary of Property Held in Fiduciary Capacity at Beginning of Reporting Period:~~

<del>Nature and Description of Property</del>	<del>Estimated Market Value</del>
-	-
-	-
-	-
-	-
-	-

~~2. Changes During the Period Covered by This Report:~~

~~A. Collections and Receipts, including interest and dividends received:~~

<del>Date</del>	<del>Description</del>	<del>Amount Received</del>
-	-	-
-	-	-
-	-	-
-	-	-
	<del>Total Receipts</del>	<del>\$</del>

~~B. Expenditures and Distributions:~~

<del>Date</del>	<del>Description</del>	<del>Amount Paid</del>
-----------------	------------------------	------------------------

—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
Total Payments		\$
		—

~~C. Property Sold or Otherwise Transferred:~~

<del>Date</del>	<del>Description</del>	<del>Court Order Reference</del>	<del>Transferee</del>	<del>Consideration Received</del>
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—

~~D. Property Acquired:~~

<del>Date</del>	<del>Description</del>	<del>Court Order Reference</del>	<del>Transferor</del>	<del>Consideration Paid</del>
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—

~~3. Summary of Property Held in Fiduciary Capacity at End of Reporting Period:~~

<del>Nature and Description of Property</del>	<del>Estimated Market Value</del>
—	—
—	—
—	—
—	—

~~4. Proposed Distribution (Distribution Reports Only):~~

~~Previous distributions were:~~

<del>Date Authorized</del>	<del>Amount of</del>
----------------------------	----------------------

by Court	Distribution
-	-
-	-
Total distributions to date: _____	
-	

The amount available for  partial  final distribution is \$\_\_\_\_\_.

If the proposed distribution is partial, the amount proposed to be retained in estate is \$\_\_\_\_\_.

~~(Include in final reports only)~~ All property of the estate has been accounted for and the undersigned knows of no debts incurred during the administration of the estate other than those which have been paid or which are reflected in this Report.

~~(Include in all reports)~~ I solemnly affirm under the penalties of perjury that the contents of this Report are true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
 Date \_\_\_\_\_ Receiver/Assignee  
 \_\_\_\_\_  
 \_\_\_\_\_ Address  
 \_\_\_\_\_

approved by the State Court Administrator and posted on the Judiciary website. The form shall comply with Code, Commercial Law Article, § 24-601.

(c) Final Report

A final report shall be filed by a receiver or assignee upon completion of the receiver's or assignee's duties.

(d) Form of Final Report

A final report shall be substantially in the form approved by the State Court Administrator and posted on the Judiciary

website. The form shall comply with Code, Commercial Law Article, § 24-602.

~~(e) Failure to File Reports; Penalties~~

~~(1) Order~~

~~If a receiver or assignee fails to file a timely annual report, the trust clerk shall inform the court in writing, and the court shall issue an order to the receiver or assignee to show cause within 15 days why the receiver or assignee should not be removed. The order shall be served on the receiver or assignee and a copy sent to the surety on the bond of the receiver or assignee in accordance with Rule 13-701(b).~~

~~(2) Sanctions~~

~~If the receiver or assignee does not comply with the order by filing an answer and all overdue reports, the court may remove the receiver or assignee pursuant to Rule 13-701 and may take any action permitted or required by Rule 13-703.~~

~~(e)~~ (e) Weekly Monthly Report if Conducting a Business

For each calendar ~~week~~ month during which the receiver or assignee conducts the business of the debtor, the receiver or assignee shall file a report listing the receipts and disbursements in reasonable detail. The report shall be filed not later than the ~~third day~~ 15th day after the end of the ~~weekly~~ monthly reporting period.

~~(f)~~ (d) Further Accountability

Nothing in this Rule shall be construed to abridge the power of the court to require a receiver or assignee to submit reports covering periods greater or lesser, or at times earlier or later, than those prescribed in this Rule or to require the submission of more detailed information than that which is prescribed in this Rule.

(g)~~(f)~~ Examination by Trust Clerk

(1) Examination of Reports

~~The~~ If requested by the court, the trust clerk shall examine all reports submitted pursuant to this Rule, ~~except those referred to an auditor pursuant to Rule 13-502.~~ The trust clerk shall determine whether all ~~of the~~ required information has been submitted and whether the amount of and surety on the bond of the receiver or assignee are sufficient to protect the estate.

(2) Examination of Property Not Required

Unless the court orders otherwise, the trust clerk need not examine the property of the estate.

(3) Report and Recommendation

The trust clerk shall (A) report any irregularities in the report to the court, (B) bring to the court's attention any other matter that the trust clerk considers appropriate, and (C) make any appropriate recommendation, all of which shall be



served on the receiver or assignee and on any person directly or indirectly affected by the report or recommendation.

Source: This Rule is derived in part from former Rule BP9 a, b, d, e, f, and g, and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

~~Rule 13-502. REFERRAL TO AUDITOR~~

~~(a) When Required~~

~~The court shall refer to an auditor pursuant to Rule 2-543 all papers filed for the purpose of making a partial or final distribution of the estate.~~

~~(b) Action by Auditor~~

~~The auditor shall audit a final or interim distribution report filed pursuant to Rule 13-501 and shall state an account setting forth the distribution of the estate.~~

~~(c) Notice by Auditor~~

~~(1) To Whom Given~~

~~The auditor shall give notice by first class mail, postage prepaid, to the debtor, the receiver or assignee, and each creditor who has filed a claim in the proceedings that an auditor's account has been stated.~~

~~(2) Contents~~

~~In addition to the requirements of Rule 2-543, the notice by the auditor shall contain the following information:~~

~~(A) the total amount of property stated in the account;~~

~~(B) the total amount of approved liens and priorities;~~

~~(C) the total costs of administration, including as separate items the court costs and the compensation of the receiver, assignee, or person employed as a professional;~~

~~(D) the amount available for distribution to general creditors;~~

~~(E) the percentage of the creditor's claim to be paid; and~~

~~(F) whether the distribution is final or partial.~~

~~(d) Interim Distribution~~

~~On application of the receiver, assignee, or other person in interest, the court may direct such partial distribution as may be safely made from the money in the hands of the receiver or assignee to those creditors whose claims are not in dispute, reserving sufficient assets to secure, after final settlement of all claims, a proportionate distribution among all creditors whose claims are finally allowed.~~

~~Source: This Rule is derived from former Rule BP9 b and c and BP10 b.~~

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 500 - REPORTS AND DISTRIBUTIONS

Rule ~~13-503~~ 13-502. DISTRIBUTION

(a) ~~Final Ratification~~ Court Approval Required

No interim or final distribution shall be made by a receiver or assignee without court approval. Until the final account has been audited pursuant to Rule 13-502 and finally ratified by the court, a final distribution is shall not be made to creditors, the estate shall may not be closed, and any bond of the receiver or assignee shall may not be released.

~~(b)~~ Payment

~~Promptly after final ratification of an auditor's account in which a distribution to creditors has been stated, the receiver or assignee shall make distribution as stated in the account.~~

(b)(e) Minimum Dividend

Unless the court orders otherwise, the assignee or receiver shall may not ~~distribute~~ make a distribution to a creditor a ~~dividend~~ in an amount less than \$5.00, ~~but shall treat the dividend as unclaimed funds under section (d) of this Rule.~~ Any amount not distributed to a particular creditor shall

be redistributed pro rata to other creditors that are entitled to receive a distribution.

(c)~~(d)~~ Disposition of Unclaimed Distributions

The receiver or assignee shall pay into ~~court~~ the court's registry any distributions that remain unclaimed for ~~ninety~~ 90 days after ~~final ratification of the auditor's final distribution account~~ the date of issuance of the distribution.

The receiver or assignee shall file a list of the names and last known addresses of persons who have not claimed distributions, showing the amount of each person's distribution. The clerk shall issue a receipt for the payment, and the receipt shall release and discharge the receiver or assignee making the payment. Thereafter, any unclaimed distributions shall be subject to ~~escheat as provided by law~~ Code, Commercial Law Article, § 17-101, et seq.

(d) Distributions as Part of Final Report

A receiver or assignee may satisfy the requirement of court approval of a final distribution by proposing the distribution in a final report approved by the court under Code, Commercial Law Article, § 24-602.

Source: This Rule is derived in part from former Rules BP9 b 2 and BP10 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

- (a) Abandonment of Property
- (b) Abandonment or Destruction of Books and Records

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN EXECUTORY CONTRACT

- (a) Motion to Assume, Reject, or Assign
- (b) Limitations
- (c) Omnibus Motion
- (d) Finality of Determination
- (e) Time for Filing Rejection Damage Claims

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS

- (a) Definition
- (b) Court Approval
- (c) Motion
- (d) Report of Sale
- (e) Inapplicability of Title 14, Chapter 300

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - ~~ABANDONMENT OF PROPERTY AND RECORDS~~ DISPOSITION OF PROPERTY

Rule 13-601. ABANDONMENT OF PROPERTY AND RECORDS

(a) Abandonment of Property

On ~~application~~ motion of a receiver, ~~an~~ or assignee, ~~or a creditor,~~ the court may order the abandonment of any property of the ~~debtor~~ estate that is ~~worthless, overburdened, or otherwise of inconsequential burdensome or not of material value and benefit~~ to the estate.

(b) Abandonment or Destruction of Books and Records

(1) ~~Application~~ Motion

~~After the final ratification of an auditor's account that provides for the final distribution of the~~ In connection with the termination of the receivership or assignment for the benefit of creditor's estate, the receiver or assignee may ~~apply to the court~~ move for permission to destroy, return to the debtor, or otherwise dispose of all or part of the books and records of the debtor or of the estate.

(2) ~~Notice to Debtor and Tax Authorities~~

Notice of the ~~application~~ motion shall be given ~~by first class mail, postage prepaid, to the Commissioner of Internal~~



~~Revenue Service of the United States, the Comptroller of the Treasury of the State of Maryland, and to all federal and state tax authorities, the debtor at the debtor's last known address, and all other parties that are required to be served under Rule 13-108 (b). If an objection is filed within 30 days after notice is given, the court shall hold a hearing.~~

~~(3) Order~~

~~For good cause shown, the court may authorize the receiver or assignee to destroy, return to the debtor, or otherwise dispose of all or part of the books and records of the debtor or of the estate by or after a date fixed in the order.~~

Source: This Rule is derived from former Rule BP8 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - ~~ABANDONMENT OF PROPERTY AND RECORDS~~ DISPOSITION OF PROPERTY

Rule 13-602. ASSUMPTION, REJECTION, OR ASSIGNMENT OF AN EXECUTORY CONTRACT

(a) Motion to Assume, Reject, or Assign

An executory contract may be assumed, rejected, or assigned by the receiver or assignee only if authorized by the court on motion filed by the receiver or assignee.

(b) Limitation

The receiver or assignee may not seek authority to assume or assign multiple executory contracts in one motion unless: (1) all executory contracts to be assumed or assigned are between the same parties or are to be assigned to the same assignee; or (2) the court otherwise authorizes such motion to be filed. Subject to section (c), the receiver may join requests for authority to reject multiple executory contracts in one motion.

(c) Omnibus Motion

A motion to reject or, if permitted under section (b), a motion to assume or assign multiple executory contracts that are not between the same parties, shall:

(1) State in a conspicuous place where parties receiving the omnibus motion should locate their names and their contracts listed in the motion;

(2) List parties alphabetically and identify the corresponding contract;

(3) Specify the terms, including the amount and timing of curing monetary defaults, for each requested assumption or assignment;

(4) Specify the terms, including the identity of each assignee, and the adequate assurance of future performance by each assignee, for each requested assignment;

(5) Be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts; and

(6) Be limited to no more than 100 contracts.

(d) Finality of Determination

The finality of any order respecting an executory contract included in an omnibus motion shall be determined as though such contract had been the subject of a separate motion.

(e) Time for Filing Rejection Damage Claims

A claim for damages for rejection of an executory contract shall be set forth on a proof of claim substantially in the form and with the supporting documentation required in Rule 13-401

(b) and shall be filed by the later of the time for submitting a proof of claim in the proceeding, or 30 days after entry of the

order rejecting the executory contract, unless otherwise ordered  
by the court.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 600 - ~~ABANDONMENT OF PROPERTY AND RECORDS~~ DISPOSITION OF  
PROPERTY

Rule 13-603. USE AND TRANSFER OF ESTATE PROPERTY OTHER THAN IN  
THE ORDINARY COURSE OF BUSINESS

(a) Definition

In this Rule, "transfer" includes a sale, lease, license,  
exchange or other disposition of estate property.

(b) Court Approval

A receiver or assignee may not (1) use or (2) transfer  
other than pursuant to Rule 13-601, receivership property  
outside of the ordinary course of business unless the use or  
transfer is authorized by the court upon motion filed by the  
receiver or assignee.

(c) Motion

(1) Generally

The motion shall be accompanied by a proposed order and  
any proposed purchase, license, exchange agreement, or lease and  
shall state why the proposed transaction is in the best interest  
of the receivership or assignment.

(2) Sale

A sale of property outside the ordinary course of business may be by private sale or public sale. If the motion seeks a private sale of the property, it shall describe the terms of the proposed sale, the basis for the receiver's or assignee's belief as to the fairness and reasonableness of the proposed terms and, to the extent applicable, shall include the following information:

(A) if an appraisal has been performed at the request of the receiver or assignee: (i) the appraised value of the property being sold; (ii) the date of the appraisal; and (iii) the name and address of the appraiser;

(B) the purchaser's identity;

(C) a full description of the relationship between the purchaser and the receiver, assignee, owner of the property, or other parties in interest;

(D) the statement of all consideration to be paid the purchaser and the payment terms;

(E) a statement of all charges and costs to be paid by the estate and all concessions to be made by the estate;

(F) any provision in which the receiver or assignee has agreed not to solicit competing offers for the property subject to the motion or to otherwise limit shopping of the property;

(G) any deadline for the closing of the proposed sale and any other condition to closing the proposed sale;

(H) the amount of any deposit that the purchaser has paid or will be required to pay;

(I) the terms of any interim operating or management agreement between the receiver or assignee and the proposed purchaser;

(J) the proposed use of the sale proceeds;

(K) whether the proposed sale will be free and clear of any lien;

(L) whether the proposed sale will be free and clear of a possessory leasehold interest, license or other right; and

(M) whether the receiver or assignee seeks to allow, disallow, or affect, in any manner, credit bidding pursuant to §24-304(g) of the Commercial Law Article.

(d) Report of Sale

As soon as practicable, but not more than 30 days after the closing of a sale, the receiver or assignee shall file and serve a report of the sale listing the amount paid by the purchaser, all closing expenses, including any sales commission paid by the receiver or assignee, any amount paid to discharge liens on the property, and any amount to be retained by the estate.

(e) Inapplicability of Title 14, Chapter 300

The provisions of Title 14, Chapter 300 of the Rules do not apply to a sale by a receiver or assignee under this Title.

Committee note: Title 14, Chapter 300 does apply to a foreclosure, whether or not in conjunction with a receivership. Section (d) only applies to sales by the receiver or assignee.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.



MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; RESIGNATION; TERMINATION OF PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

- (a) On Court's Own Initiative; by Motion
- (b) Show Cause Order; Service
- (c) Disposition

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

- (a) Motion
- (b) Report to Be Filed
- (c) Termination of Appointment
- (d) Proceedings

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF  
COMPENSATION

Rule 13-704. TERMINATION OF PROCEEDING

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; ~~AND RESIGNATION;~~ TERMINATION OF  
PROCEEDING

Rule 13-701. REMOVAL OF ASSIGNEE, RECEIVER, OR PROFESSIONAL

(a) Motion; On Court's Own Initiative; ~~by Petition~~

~~The court or any~~ Any person having an interest in the estate may ~~initiate proceedings~~ file a motion to remove a receiver, assignee, or any person employed as a professional by the receiver or assignee. A motion filed pursuant to this section shall state the reasons for the requested removal and may include a request for the appointment of a successor receiver, assignee, or professional. The court may initiate removal proceedings by ~~filing an~~ entry of a show cause order pursuant to section (b) of this Rule and shall state in the order the reasons for the proposed removal.

(b) Show Cause Order; Service

If removal proceedings are initiated, the court shall order the receiver, assignee, or professional to show cause why the receiver, assignee, or professional should not be removed or be subject to other sanctions. The order, together with a copy of any ~~petition~~ motion, shall be served pursuant to Rule 2-121

on the person sought to be removed or, if it is shown by affidavit that the whereabouts of the person sought to be removed are unknown and that reasonable efforts have been made in good faith to locate the person, the court may order service pursuant to Rule 2-122. Copies of the show cause order and any ~~petition~~ motion shall be sent by first class mail, postage prepaid, to the surety on the bond of the receiver or assignee and to any other persons directed by the court.

(c) Disposition

~~After a hearing and for~~ For cause, including ineligibility, the court may remove a receiver, assignee, or professional.

Cross reference: ~~As to the statutory grounds for the removal of a fiduciary, including a receiver or assignee, see Code, Estates and Trusts Article, § 15-112. See Code, Commercial Law Article, § 24-703.~~

Source: This Rule is in part derived from former Rule V84 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; ~~AND~~ RESIGNATION; TERMINATION OF  
PROCEEDING

Rule 13-702. RESIGNATION OF RECEIVER OR ASSIGNEE

(a) Petition Motion

A receiver may file a ~~petition~~ motion for permission to resign in the court in which the receiver was appointed. An assignee may file a ~~petition~~ motion to resign in the court in which a petition to assume jurisdiction of the estate has been filed. The ~~petition~~ motion shall state the reasons for the proposed resignation and may include a request for the appointment of a successor receiver or assignee.

(b) Report to Be Filed

The receiver or assignee shall file with the ~~petition~~ motion a report pursuant to Rule 13-501 for any period not covered in ~~an annual~~ any report previously filed or, if no ~~annual~~ previous report has been filed, from the date the receiver or assignee took charge of the estate.

~~(c) Notice~~

~~The receiver or assignee shall mail a copy of the petition by first class mail, postage prepaid, to those interested persons designated by the court.~~

~~(d)~~(c) Termination of Appointment

The resignation of a receiver or assignee does not terminate the appointment until the receiver or assignee has accounted for and turned over all property of the estate and the resignation has been approved by the court.

~~(e)~~(d) Proceedings

~~The court may grant or deny the requested relief with or without a hearing.~~ In an order granting the ~~petition~~ motion, the court may specify any conditions for the acceptance of the resignation that the nature of the case may require.

Source: This Rule is in part derived from former Rule V81 and is in part new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; AND RESIGNATION; TERMINATION OF  
PROCEEDING

Rule 13-703. APPOINTMENT OF SUCCESSORS; FORFEITURE OF  
COMPENSATION

When a receiver, assignee, or professional dies, becomes disabled, resigns, or is removed, the court ~~may~~ shall appoint a successor on its own initiative or on the ~~petition~~ motion of any person having an interest in the estate. The court shall order that all appropriate papers, records, and property be turned over to the successor and may order that a removed or resigning receiver or assignee file any report required by Rule 13-501. The court may order the person removed to forfeit any future compensation and return any compensation for services previously rendered.

Source: This Rule is derived from former Rule V82 a.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

MARYLAND RULES OF PROCEDURE

TITLE 13 - RECEIVERS AND ASSIGNEES

CHAPTER 700 - REMOVAL; ~~AND~~ RESIGNATION; TERMINATION OF  
PROCEEDING

Rule 13-704. TERMINATION OF PROCEEDING

After a final report is approved by the court, the receiver or assignee is discharged from performing duties, the receivership property is fully administered, and distributions, if any, are made, the court, on its own initiative, or on motion of a party in interest, shall enter an order terminating the receivership or assignment for the benefit of creditors proceeding.

Source: This Rule is new.

REPORTER'S NOTE

See the Reporter's Note to Rule 13-101.

## APPENDIX 3



## Chapter 276

## (Senate Bill 509)

AN ACT concerning

**Property Tax – In Rem Foreclosure ~~and Sale and Sale~~ – Vacant and Abandoned Property**

FOR the purpose of requiring a tax collector to withhold from tax sale certain real property designated by a county or municipal corporation for *foreclosure and* sale under a certain process; authorizing a county or municipal corporation to initiate an in rem foreclosure and sale of certain real property for delinquent taxes; ~~requiring~~ authorizing a county or municipal corporation to enact certain laws authorizing in rem foreclosure and sale of certain real property; ~~requiring~~ authorizing the county or municipal corporation to commence an in rem foreclosure action; prohibiting the county or municipal corporation from commencing an in rem foreclosure action until tax on real property has been delinquent for a certain period and the right to appeal a certain notice has tolled; ~~requiring the county or municipal corporation to send certain notice to certain taxing agencies before filing a certain complaint; requiring a taxing agency receiving a certain notice to certify certain information to the county or municipal corporation within a certain period of time~~; requiring certain taxes to be included in the foreclosure action; ~~requiring a county or municipal corporation to obtain a certain lien release or make a certain payment before filing a certain action~~; requiring the county or municipal corporation to file the foreclosure action in a certain circuit court and send notice and a copy of the complaint to each interested party within a certain period of time and in a certain manner; requiring the complaint for an in rem foreclosure to include certain information; allowing the complaint for an in rem foreclosure to be amended for certain purposes; providing that an interested party has a certain right to cure certain delinquent taxes and liens on the real property under certain circumstances; requiring a hearing on the in rem foreclosure complaint to be conducted at a certain time; providing that an interested party has the right to be heard at the hearing; requiring the court to enter a certain judgment on a certain finding; requiring the judgment to be recorded in certain land records; providing that title acquired in a certain foreclosure proceeding shall be a certain absolute or fee simple title except under certain circumstances; providing that a judgment in an action under this Act is binding and conclusive, regardless of legal disability, on certain persons; ~~requiring the county or municipal corporation to sell at public auction real property after entry of a certain judgment; specifying the time of the sale; specifying the minimum bid for the sale; requiring the property to be sold to the highest bidder; authorizing a county or municipal corporation to bid the minimum bid under certain circumstances; requiring the county or municipal corporation to deposit certain excess bid amounts in escrow; requiring certain funds to be distributed to interested parties in a certain manner; requiring the county or municipal corporation to provide certain notice to the court of a sale; establishing that a sale of certain properties is final and binding requiring the county or municipal corporation to report certain information to the court; requiring the Court~~

~~of Appeals to adopt certain rules; prohibiting a county or municipality from filing an in rem foreclosure action in accordance with this Act until the Court of Appeals have adopted certain rules; defining certain terms; and generally relating to in rem foreclosure and sale and sale of tax delinquent vacant and abandoned property.~~

BY repealing and reenacting, without amendments,  
Article – Tax – Property  
Section 14–801(d)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 14–811(a)  
Annotated Code of Maryland  
(2012 Replacement Volume and 2018 Supplement)

BY adding to  
Article – Tax – Property  
Section 14–811(e) and 14–873 through ~~14–878~~ 14–876 to be under the new part “Part  
V. Judicial In Rem Tax Foreclosure”  
Annotated Code of Maryland  
(2012 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Tax – Property**

14–801.

(d) (1) “Tax” means any tax, or charge of any kind due to the State or any of its political subdivisions, or to any other taxing agency, that by law is a lien against the real property on which it is imposed or assessed.

(2) “Tax” includes interest, penalties, and service charges.

14–811.

(a) Except as provided in [subsection (b)] **SUBSECTIONS (B) AND (E)** of this section, the collector may withhold from sale any property, when the total taxes on the property, including interest and penalties, amount to less than \$250 in any 1 year.

**(E) THE COLLECTOR SHALL WITHHOLD FROM SALE UNDER THIS PART OF THIS SUBTITLE ANY REAL PROPERTY DESIGNATED BY THE GOVERNING BODY OF A**

COUNTY OR MUNICIPAL CORPORATION FOR FORECLOSURE AND SALE UNDER PART V OF THIS SUBTITLE.

14-871. RESERVED.

14-872. RESERVED.

PART V. JUDICIAL IN REM TAX FORECLOSURE.

14-873.

(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "INTERESTED PARTY" MEANS:

(1) THE PERSON WHO LAST APPEARS AS OWNER OF THE REAL PROPERTY ON THE COLLECTOR'S TAX ROLL;

(2) A MORTGAGEE OF THE PROPERTY OR ASSIGNEE OF A MORTGAGE OF RECORD;

(3) A HOLDER OF A BENEFICIAL INTEREST IN A DEED OF TRUST RECORDED AGAINST THE REAL PROPERTY;

(4) A TAXING AGENCY THAT HAS THE AUTHORITY TO COLLECT TAX ON THE REAL PROPERTY; OR

~~(4)~~ (5) ANY PERSON HAVING AN INTEREST IN THE REAL PROPERTY WHOSE IDENTITY AND ADDRESS ARE:

(I) REASONABLY ASCERTAINABLE FROM THE COUNTY LAND RECORDS; OR

(II) REVEALED BY A FULL TITLE SEARCH CONSISTING OF AT LEAST 50 YEARS.

(C) "TAX" HAS THE MEANING STATED IN § 14-801 OF THIS SUBTITLE.

14-874.

~~(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A COUNTY OR MUNICIPAL CORPORATION MAY DESIGNATE REAL PROPERTY TO BE SOLD UNDER THIS PART.~~

~~(B) ONLY REAL PROPERTY THAT CONSISTS OF A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT AND UNFIT FOR HABITATION ON A HOUSING OR BUILDING VIOLATION NOTICE MAY BE SOLD UNDER THIS PART.~~

(A) REAL PROPERTY MAY BE SUBJECT TO FORECLOSURE AND SALE UNDER THIS PART ONLY IF:

(1) THE PROPERTY CONSISTS OF A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT AND UNSAFE OR UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE; AND

(2) THE TOTAL AMOUNT OF LIENS FOR UNPAID TAXES ON THE PROPERTY EXCEEDS THE LESSER OF THE TOTAL VALUE OF THE PROPERTY AS LAST DETERMINED BY THE DEPARTMENT OR AS DETERMINED BY AN APPRAISAL REPORT PREPARED NOT MORE THAN 6 MONTHS BEFORE THE FILING OF A COMPLAINT UNDER THIS SECTION BY A REAL ESTATE APPRAISER WHO IS LICENSED UNDER TITLE 16 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

~~(C) (A) (B)~~ (1) A COUNTY OR MUNICIPAL CORPORATION ~~SHALL~~ MAY AUTHORIZE BY LAW AN IN REM FORECLOSURE ~~AND SALE~~ IN ACCORDANCE WITH THIS PART.

(2) A LAW THAT AUTHORIZES AN IN REM FORECLOSURE ~~AND SALE~~ SHALL:

(I) STATE THE DATE AFTER WHICH REAL PROPERTY MAY BE SUBJECT TO IN REM FORECLOSURE ~~AND SALE~~ UNDER THIS PART;

(II) ESTABLISH CRITERIA FOR DESIGNATING REAL PROPERTY TO BE FORECLOSED ~~AND SOLD~~ UNDER THIS PART;

(III) AUTHORIZE THE COUNTY OR MUNICIPAL CORPORATION TO FILE A COMPLAINT FOR AN IN REM FORECLOSURE UNDER THIS PART; AND

(IV) INCLUDE ADMINISTRATIVE RULES AND PROCEDURES NECESSARY TO CARRY OUT AN IN REM FORECLOSURE ~~AND SALE~~ UNDER THIS PART.

~~(B) (C)~~ (1) SUBJECT TO SUBSECTION ~~(C)~~ (D) OF THIS SECTION, A COUNTY OR MUNICIPAL CORPORATION MAY AUTHORIZE, BY LAW, THE SALE OF REAL PROPERTY AFTER AN IN REM FORECLOSURE AND DESIGNATE REAL PROPERTY TO BE SOLD UNDER THIS PART.

(2) A LAW THAT AUTHORIZES A SALE OF REAL PROPERTY AFTER AN IN REM FORECLOSURE SHALL:

(I) STATE THE DATE AFTER WHICH THE REAL PROPERTY MAY BE SUBJECT TO SALE AFTER AN IN REM FORECLOSURE UNDER THIS PART;

(II) ESTABLISH CRITERIA FOR DESIGNATING REAL PROPERTY TO BE SOLD UNDER THIS PART; AND

(III) INCLUDE ADMINISTRATIVE RULES AND PROCEDURES NECESSARY TO CARRY OUT A SALE UNDER THIS PART.

~~(c) (D)~~ ONLY REAL PROPERTY THAT CONSISTS OF A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT AND UNSAFE OR UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE MAY BE SOLD UNDER THIS PART.

14-875.

~~(A) AFTER REAL PROPERTY IS DESIGNATED FOR SALE UNDER THIS PART, THE A COUNTY OR MUNICIPAL CORPORATION SHALL MAY FILE A COMPLAINT FOR AN IN REM FORECLOSURE ACTION IN ACCORDANCE WITH THIS PART.~~

(B) THE COUNTY OR MUNICIPAL CORPORATION MAY NOT FILE A COMPLAINT FOR AN IN REM FORECLOSURE ACTION UNLESS:

(1) THE TAX ON THE REAL PROPERTY HAS BEEN DELINQUENT FOR AT LEAST 6 MONTHS; AND

(2) THE RIGHT TO APPEAL THE NOTICE OF THE PROPERTY AS VACANT AND UNSAFE OR UNFIT HAS TOLLED.

~~(C) (1) AT LEAST 60 DAYS BEFORE FILING A COMPLAINT FOR AN IN REM FORECLOSURE, THE COUNTY OR MUNICIPAL CORPORATION SHALL NOTIFY ALL OTHER TAXING AGENCIES THAT HAVE THE AUTHORITY TO COLLECT TAX ON THE REAL PROPERTY OF THE COUNTY'S OR MUNICIPAL CORPORATION'S INTENTION TO FILE A COMPLAINT FOR AN IN REM FORECLOSURE OF THE REAL PROPERTY.~~

~~(2) WITHIN 30 DAYS AFTER RECEIVING NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION, A TAXING AGENCY SHALL CERTIFY TO THE COUNTY OR MUNICIPAL CORPORATION A STATEMENT OF ALL TAXES DUE TO THE TAXING AGENCY.~~

~~(3) ALL TAXES CERTIFIED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION SHALL:~~

~~(1) BE INCLUDED IN THE FORECLOSURE ACTION; AND~~

~~(2) CEASE TO BE A LIEN AGAINST THE REAL PROPERTY IF A JUDGMENT IS ENTERED FORECLOSING THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN THE REAL PROPERTY.~~

~~(4) BEFORE FILING THE COMPLAINT UNDER SUBSECTION (D) OF THIS SECTION, THE COUNTY OR MUNICIPAL CORPORATION SHALL:~~

~~(i) OBTAIN A LIEN RELEASE FROM THE STATE FOR ANY LIENS FOR UNPAID STATE PROPERTY TAXES, INTEREST, AND PENALTIES; OR~~

~~(ii) PAY TO THE STATE, IN ACCORDANCE WITH § 4-202 OF THIS ARTICLE, ANY UNPAID STATE PROPERTY TAXES, INTEREST, AND PENALTIES.~~

(D) THE COUNTY OR MUNICIPAL CORPORATION SHALL:

(1) FILE THE COMPLAINT FOR AN IN REM FORECLOSURE IN THE CIRCUIT COURT OF THE COUNTY WHERE THE REAL PROPERTY IS LOCATED; AND

(2) WITHIN 5 DAYS AFTER FILING THE COMPLAINT, SEND NOTICE AND A COPY OF THE COMPLAINT TO EACH INTERESTED PARTY BY FIRST-CLASS MAIL AND CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL SERVICE.

(E) THE COMPLAINT FOR AN IN REM FORECLOSURE SHALL INCLUDE:

(1) THE IDENTITY OF THE COUNTY OR MUNICIPAL CORPORATION ON BEHALF OF WHICH THE COMPLAINT IS FILED;

(2) THE NAME AND ADDRESS OF THE COUNTY OR MUNICIPAL CORPORATION;

(3) A DESCRIPTION OF THE REAL PROPERTY AS IT APPEARS IN THE COUNTY LAND RECORDS;

(4) THE TAX IDENTIFICATION NUMBER OF THE REAL PROPERTY;

(5) A STATEMENT THAT THE TAXES ARE DELINQUENT AT THE TIME OF THE FILING;

(6) THE AMOUNT OF TAXES THAT ARE DELINQUENT AS OF THE DATE OF FILING;

(7) THE NAMES AND LAST KNOWN ADDRESSES OF ALL INTERESTED PARTIES IN THE REAL PROPERTY AND, IF APPLICABLE, A STATEMENT THAT THE ADDRESS OF A PARTICULAR INTERESTED PARTY IN THE REAL PROPERTY IS UNKNOWN;

(8) A STATEMENT THAT THE REAL PROPERTY IS A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT AND UNSAFE OR UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE;

(9) COPIES OF ANY VIOLATION NOTICE CITED UNDER PARAGRAPH (8) OF THIS SUBSECTION;

(10) A REQUEST THAT THE CIRCUIT COURT NOT SCHEDULE A HEARING ON THE COMPLAINT UNTIL 30 DAYS AFTER THE DATE THAT THE COMPLAINT IS FILED; AND

(11) A REQUEST THAT THE CIRCUIT COURT ENTER A JUDGMENT THAT FORECLOSES THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN THE REAL PROPERTY AND ORDERS OWNERSHIP OF THE REAL PROPERTY TO BE ~~SOLD AT PUBLIC AUCTION~~ TRANSFERRED TO THE COUNTY OR MUNICIPAL CORPORATION.

(F) A COMPLAINT FOR AN IN REM FORECLOSURE MAY BE AMENDED TO INCLUDE ALL TAXES THAT BECOME DELINQUENT AFTER THE COMMENCEMENT OF THE IN REM FORECLOSURE ACTION.

(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN INTERESTED PARTY HAS THE RIGHT TO CURE THE DELINQUENT TAXES AND LIENS ON THE REAL PROPERTY BY PAYING ALL PAST DUE FEES, PAYMENTS, AND PENALTIES AT ANY TIME BEFORE THE ENTRY OF THE FORECLOSURE JUDGMENT.

(2) THE RIGHT TO CURE THE DELINQUENT TAXES AND LIENS ON THE REAL PROPERTY EXTINGUISHES ONCE THE FORECLOSURE JUDGMENT IS ENTERED.

14-876.

(A) A CIRCUIT COURT MAY NOT SET A HEARING FOR AN IN REM FORECLOSURE UNTIL 30 DAYS AFTER THE COMPLAINT FOR AN IN REM FORECLOSURE IS FILED.

(B) AT THE HEARING, ANY INTERESTED PARTY SHALL HAVE THE RIGHT TO BE HEARD AND TO CONTEST THE DELINQUENCY OF THE TAXES AND THE ADEQUACY OF THE PROCEEDINGS.

(C) IF THE CIRCUIT COURT FINDS THAT THE COUNTY OR MUNICIPAL CORPORATION SENT NOTICE AND A COPY OF THE COMPLAINT TO EACH INTERESTED PARTY IN ACCORDANCE WITH § 14-875(D) OF THIS SUBTITLE AND THAT THE INFORMATION SET FORTH IN THE COMPLAINT IS ACCURATE, THE COURT SHALL:

(1) ENTER A JUDGMENT THAT:

(I) PROPER NOTICE HAS BEEN PROVIDED TO ALL INTERESTED PARTIES; AND

(II) THE REAL PROPERTY IS A VACANT LOT OR AN IMPROVED PROPERTY CITED AS VACANT AND UNSAFE OR UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE; AND

(2) ORDER THAT OWNERSHIP OF THE REAL PROPERTY BE SOLD IN ACCORDANCE WITH THIS PART TRANSFERRED TO THE COUNTY OR MUNICIPAL CORPORATION ON BEHALF OF WHICH THE COMPLAINT WAS FILED.

(D) (1) ~~THE ENTRY OF A JUDGMENT UNDER SUBSECTION (C) OF THIS SECTION SHALL BE RECORDED IN THE LAND RECORDS OF THE COUNTY OR BALTIMORE CITY~~ THE COUNTY OR MUNICIPAL CORPORATION SHALL RECORD A JUDGMENT UNDER SUBSECTION (C) OF THIS SECTION IN THE LAND RECORDS OF THE COUNTY.

(2) THE TITLE ACQUIRED IN AN IN REM FORECLOSURE PROCEEDING SHALL BE AN ABSOLUTE OR FEE SIMPLE TITLE INCLUDING THE RIGHT, TITLE, AND INTEREST OF EACH OF THE DEFENDANTS IN THE PROCEEDING WHOSE PROPERTY HAS BEEN FORECLOSED UNLESS A DIFFERENT TITLE IS SPECIFIED IN THE JUDGMENT ENTERED.

(3) A JUDGMENT IN AN ACTION UNDER THIS PART IS BINDING AND CONCLUSIVE, REGARDLESS OF LEGAL DISABILITY, ON:

(I) ALL PERSONS, KNOWN AND UNKNOWN, WHO WERE PARTIES TO THE ACTION AND WHO HAD A CLAIM TO THE PROPERTY, WHETHER PRESENT OR FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, OR SEVERAL OR UNDIVIDED; AND



(II) ALL PERSONS WHO WERE NOT PARTIES TO THE ACTION AND HAD A CLAIM TO THE PROPERTY THAT WAS NOT RECORDED AT THE TIME THAT THE ACTION WAS COMMENCED.

~~14-877.~~

~~(A) (1) AFTER ENTRY OF JUDGMENT UNDER § 14-876 OF THIS SUBTITLE, THE COUNTY OR MUNICIPAL CORPORATION SHALL SELL, IN ACCORDANCE WITH THE MARYLAND RULES, THE REAL PROPERTY AT PUBLIC AUCTION.~~

~~(2) THE REAL PROPERTY MAY NOT BE SOLD UNTIL 45 DAYS AFTER THE ENTRY OF JUDGMENT.~~

~~(B) THE MINIMUM BID FOR THE SALE OF THE REAL PROPERTY SHALL BE BASED ON THE FAIR MARKET VALUE OF THE REAL PROPERTY, AS DETERMINED BY THE COUNTY OR MUNICIPAL CORPORATION.~~

~~(C) (1) THE REAL PROPERTY SHALL BE SOLD TO THE PERSON MAKING THE HIGHEST BID.~~

~~(2) THE PERSON MAKING THE HIGHEST BID SHALL PAY THE FULL BID AMOUNT TO THE COUNTY OR MUNICIPAL CORPORATION.~~

~~(3) IF THE MINIMUM BID IS NOT MADE OR EXCEEDED, THE COUNTY OR MUNICIPAL CORPORATION THAT FILED THE COMPLAINT MAY BID THE MINIMUM BID PRICE AND PURCHASE THE REAL PROPERTY.~~

~~(D) (1) IF THE HIGHEST BID EXCEEDS THE MINIMUM BID AMOUNT, THE COUNTY OR MUNICIPAL CORPORATION SHALL DEPOSIT THE FUNDS IN EXCESS OF THE MINIMUM BID IN AN ESCROW ACCOUNT.~~

~~(2) THE CIRCUIT COURT SHALL DISTRIBUTE THE FUNDS DEPOSITED INTO ESCROW TO THE INTERESTED PARTIES IN THE ORDER OF PRIORITY OF THE INTERESTS OF THE INTERESTED PARTIES.~~

~~(E) AFTER THE SALE, THE COUNTY OR MUNICIPAL CORPORATION SHALL FILE A NOTICE INFORMING THE CIRCUIT COURT OF THE SALE AND STATING THE DATE OF THE SALE.~~

~~(F) THE SALE OF REAL PROPERTY UNDER THIS SECTION IS FINAL AND BINDING ON THE MAKER OF THE HIGHEST BID.~~

~~14-878.~~

~~(A) WITHIN 90 DAYS AFTER EACH SALE, THE COUNTY OR MUNICIPAL CORPORATION SHALL FILE A REPORT OF THE SALE WITH THE CIRCUIT COURT.~~

~~(B) THE REPORT SHALL IDENTIFY THE SALE THAT TOOK PLACE, THE SALE PRICE, AND THE IDENTITY OF THE PURCHASER.~~

~~(C) THE COUNTY OR MUNICIPAL CORPORATION MAY CONSOLIDATE MULTIPLE SALE REPORTS.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Court of Appeals shall adopt rules to carry out the provisions of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That a county or municipality may not file a complaint for an in rem foreclosure action in accordance with this Act until the rules adopted by the Court of Appeals under Section 2 of this Act are effective.~~

~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.~~

**Approved by the Governor, April 30, 2019.**

APPENDIX 4

Renumbering of Foreclosure Procedures - Chapter 93 (HB 107)

Former - Real Prop. §	New - Real Prop. § (eff. 10/1/19)
7-105.2	7-105.4
7-105.3	7-105.5
7-105.4	7-105.6
7-105.5	7-105.7
7-105.6	7-105.8
7-105.7	7-105.9
7-105.8	7-105.10
7-105.9	7-105.11
7-105.10	7-105.12
7-105.11	7-105.13
7-105.12	7-105.16
7-105.13	7-105.17
7-105.14	7-105.18
14-126	7-105.3
14-126.1	7-105.14
14-126.2	7-105.2
14-126.3	7-105.15

APPENDIX 5



CIRCUIT COURT  DISTRICT COURT OF MARYLAND FOR \_\_\_\_\_

City/County

Located at \_\_\_\_\_ Court Address Case No. \_\_\_\_\_

Plaintiff/Judgment Creditor

vs.

Defendant/Judgment Debtor

JUDGMENT DEBTOR (DEFENDANT) INFORMATION SHEET (Md. Rules 2-634 and 3-634)

Read This Before Filling In This Form: If you complete and sign this form you are swearing under penalty of perjury that you are telling the truth. DO NOT FILE A COPY OF THIS FORM WITH THE COURT. Return the completed form to the person or company that sent it to you no later than 30 days after you receive it. If you do not, you may have to come to court to answer questions about your assets and income. If you then fail to come to court, the court may issue a body attachment and you could be arrested for contempt. Please note:

- You have rights that may protect some of the property.
You are not required by law to give up things listed on this form to satisfy a judgment unless the court orders it you to do so
You have the right to consult with an attorney before completing this form.
See page two (2) for resources that can offer assistance in completing the Information Sheet.

My Information:

Form with fields: Full Legal Name, Social Security Number, Date of Birth, All Other Names You Have Been Known By, Driver's License Number, Where do you receive mail?, Telephone Numbers: Cell, Home, Business, Other.

I have the following job(s):

Form with fields for Job Title, Employer, Work Address, Pay, Average Paycheck for two different jobs.

Attach additional sheets if necessary.

Form with fields: I get commission/bonuses on average \$ per from, I also get money from: Social Security, Child Support, Disability Benefits, Retirement Benefits, Other.

I own the following things:

Form with fields: Real Estate (Land) that I own or that I am currently buying, Name(s) of Owner(s), Cars that I own or that I am currently buying, Tag No., Mileage, Owner(s), I pay a car loan.

Financial Account(s): (Bank, savings, credit union, and other financial accounts)		
Name of Institution	Amount now:	<input type="checkbox"/> Social Security is paid into this account. <input type="checkbox"/> This account is joint with the following person(s): _____
Account No.	\$ _____	
Name of Institution	Amount now:	<input type="checkbox"/> Social Security is paid into this account. <input type="checkbox"/> This account is joint with the following person(s): _____
Account No.	\$ _____	

Attach additional sheets if necessary.

**Have you sold or given away any property worth more than \$500.00 in the past year?**

<input type="checkbox"/> No.	<input type="checkbox"/> Yes. I <input type="checkbox"/> sold <input type="checkbox"/> gave away _____ (item) to _____ (name & address) for \$ _____.
------------------------------	---

Attach additional sheets if necessary.

**Does anyone owe you money?**

<input type="checkbox"/> Not so far as I know.	<input type="checkbox"/> Yes. Name: _____ Address: _____ owes me \$ _____ because: _____ _____
--	---

I solemnly affirm under the penalties of perjury that the contents of the foregoing paper are true to the best of my knowledge, information, and belief.

\_\_\_\_\_ Date \_\_\_\_\_ Signature of Defendant/Judgment Debtor

**DO NOT FILE A COPY OF THIS FORM WITH THE COURT.**

Return the completed form to the person or company that sent it to you no later than 30 days after you receive it. If you do not, you may have to come to court to answer questions about your assets and income. If you then fail to come to court, the court may issue a body attachment and you could be arrested for contempt.

Please attach copies of the following, if you have them or can get them:

- A copy of your last pay stub.
- A copy of your last THREE (3) bank statements for each account you have.
- A copy of your tax return, for the most recent tax year that you filed a return, within the past THREE (3) years.

**Web-based and in-person resources:**

- Maryland Courts Self-Help Center 410-260-1392
- <https://www.mdcourts.gov/selfhelp>
- <https://www.peoples-law.org>



CIRCUIT COURT  DISTRICT COURT OF MARYLAND FOR \_\_\_\_\_ City/County

Located at \_\_\_\_\_ Court Address Case No. \_\_\_\_\_

Plaintiff/Judgment Creditor vs. Defendant/Judgment Debtor

**JUDGMENT DEBTOR (DEFENDANT) INFORMATION SHEET**  
(Md. Rules 2-634 and 3-634)

**Read This Before Filling In This Form:** If you complete and sign this form you are swearing under penalty of perjury that you are telling the truth. DO NOT FILE A COPY OF THIS FORM WITH THE COURT. Return the completed form to the person or company that sent it to you no later than 30 days after you receive it. If you do not, you may have to come to court to answer questions about your assets and income. If you then fail to come to court, the court may issue a body attachment and you could be arrested for contempt. Please note:

- You have rights that may protect some of the property.
- You are not required by law to give up things listed on this form to satisfy a judgment unless the court orders it you to do so.
- You have the right to consult with an attorney before completing this form.
- See page two (2) for resources that can offer assistance in completing the Information Sheet.

**My Information:**

Full Legal Name:	Social Security Number: _____	Date of Birth: _____
All Other Names You Have Been Known By:	Driver's License Number: _____	
Where do you receive mail? <input type="checkbox"/> At my home address: _____		
<input type="checkbox"/> At this address: _____		
Telephone Numbers: Cell: _____	Home: _____	Business: _____ Other: _____

**I have the following job(s):**

Job Title:	Employer:
Work Address:	
Pay: \$ _____ per _____	Average Paycheck: \$ _____ per _____
Job Title:	Employer:
Work Address:	
Pay: \$ _____ per _____	Average Paycheck: \$ _____ per _____

Attach additional sheets if necessary.

I get commission/bonuses on average \$ \_\_\_\_\_ per \_\_\_\_\_ from \_\_\_\_\_.

I also get money from:  Social Security  Child Support  Disability Benefits  Retirement Benefits  
 Other: \$ \_\_\_\_\_ per  week  month  year Source: \_\_\_\_\_.

**I own the following things:**

Real Estate (Land) that I own or that I am currently buying:	Address:			
Name(s) of Owner(s):				
<input type="checkbox"/> I pay a mortgage: \$ _____ per _____ to _____.				
<input type="checkbox"/> No mortgage.				
<input type="checkbox"/> The owners listed are married.				
Cars that I own or that I am currently buying:	Year:	Make:	Model:	Color:
Tag No.:	Mileage:	Owner(s):		
<input type="checkbox"/> I pay a car loan: \$ _____ per _____ to _____ and owe a total of: \$ _____.				
<input type="checkbox"/> No car loan.				



<b>Financial Account(s): (Bank, savings, credit union, and other financial accounts)</b>		
Name of Institution	Amount now:	<input type="checkbox"/> Social Security is paid into this account. <input type="checkbox"/> This account is joint with the following person(s): _____
Account No.	\$ _____	
Name of Institution	Amount now:	<input type="checkbox"/> Social Security is paid into this account. <input type="checkbox"/> This account is joint with the following person(s): _____
Account No.	\$ _____	

Attach additional sheets if necessary.

**Have you sold or given away any property worth more than \$500.00 in the past year?**

<input type="checkbox"/> No.	<input type="checkbox"/> Yes. I <input type="checkbox"/> sold <input type="checkbox"/> gave away _____ (item) to _____ (name & address) for \$ _____.
------------------------------	---

Attach additional sheets if necessary.

**Does anyone owe you money?**

<input type="checkbox"/> Not so far as I know.	<input type="checkbox"/> Yes. Name: _____ Address: _____ owes me \$ _____ because: _____
--	--

I solemnly affirm under the penalties of perjury that the contents of the foregoing paper are true to the best of my knowledge, information, and belief.

\_\_\_\_\_ Date \_\_\_\_\_ Signature of Defendant/Judgment Debtor

**DO NOT FILE A COPY OF THIS FORM WITH THE COURT.**

Return the completed form to the person or company that sent it to you no later than 30 days after you receive it. If you do not, you may have to come to court to answer questions about your assets and income. If you then fail to come to court, the court may issue a body attachment and you could be arrested for contempt.

Please attach copies of the following, if you have them or can get them:

- A copy of your last pay stub.
- A copy of your last THREE (3) bank statements for each account you have.
- A copy of your tax return, for the most recent tax year that you filed a return, within the past THREE (3) years.

**Web-based and in-person resources:**

- Maryland Courts Self-Help Center 410-260-1392
- <https://www.mdcourts.gov/selfhelp>
- <https://www.peoples-law.org>