

SENATE BILL 895

I4, D3

7lr2702
CF 7lr2704

By: **Senator Feldman**

Introduced and read first time: February 3, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Commercial Receivership Act**

3 FOR the purpose of authorizing a court to appoint a receiver under certain circumstances;
4 providing that a certain mortgagee is entitled to appointment of a receiver; requiring
5 a court to appoint a receiver under certain circumstances; authorizing a court to
6 condition appointment of a receiver on the giving of certain security under certain
7 circumstances; authorizing a court to appoint a certain person as an ancillary
8 receiver for certain property; specifying certain requirements an ancillary receiver
9 must meet; authorizing a court to issue a certain order; establishing the rights,
10 powers, and duties of an ancillary receiver; prohibiting a court from appointing a
11 certain person as a receiver; providing that a person is disqualified from appointment
12 as a receiver under certain circumstances; authorizing a certain person to nominate
13 a person to serve as receiver; specifying that a court is not bound by a certain
14 nomination; authorizing a court to determine whether or not a receiver must post a
15 certain bond or security with the court; providing that a certain bond may meet
16 certain requirements; establishing the authority of a court that appoints a receiver
17 under this Act; establishing the powers, duties, and rights of a receiver; requiring a
18 certain claim submitted by a creditor to meet certain requirements; providing for the
19 effectiveness of a certain assignment of a certain claim; requiring the court to
20 respond to a certain claim and authorizing the court to order certain actions;
21 requiring that a certain distribution of receivership property be made in a certain
22 manner; prohibiting a receiver from engaging certain professionals without court
23 approval; requiring a certain request to disclose certain information to the court;
24 providing that a certain person is not disqualified from certain engagement under
25 certain circumstances; authorizing a court to disqualify a certain person if the court
26 makes a certain determination about a conflict of interest; providing that this Act
27 does not prevent a receiver from serving in the receivership in a certain capacity;
28 requiring a certain person or a receiver to file a certain itemized statement with the
29 court; requiring a court to set a certain hearing under certain circumstances;
30 authorizing a court to order a certain sale; providing that a certain transfer of
31 property may be free and clear of a certain lien or other interest in the property under

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain circumstances; providing that a certain lien or other interest attaches to
2 certain proceeds in a certain manner; authorizing a certain purchase of property by
3 a creditor under certain circumstances; providing that a certain reversal or
4 modification of a certain order does not have certain effects; authorizing a court to
5 condition assumption or rejection of a certain contract on certain terms and
6 conditions; providing that a certain performance of a certain contract does not
7 constitute a certain assumption or agreement or prevent a certain action;
8 authorizing a court to order a receiver to assume or reject a certain contract under
9 certain circumstances; providing that a certain obligation or liability must be treated
10 in a certain manner; providing that a certain rejection of a certain contract shall be
11 effective at a certain time and treated in a certain manner; providing that a certain
12 right to possess or use property shall terminate on rejection of a certain contract;
13 requiring a certain claim for damages to be submitted before the later of the time for
14 submitting a certain claim or a certain number of days after entry of a certain order;
15 providing for the effects of a certain rejection of a certain contract; prohibiting a
16 receiver from assuming or assigning a certain contract under certain circumstances;
17 authorizing a receiver to assign a certain contract under certain circumstances;
18 prohibiting a receiver from rejecting a certain lease under certain circumstances;
19 providing that a certain entry of an order appointing a receiver shall operate as a
20 stay of a certain act; authorizing a court to order a certain stay under certain
21 circumstances; providing that certain matters are not stayed under certain
22 circumstances; authorizing a certain person to apply to the court for relief from a
23 stay under certain circumstances; providing for the termination of a certain stay
24 under certain circumstances; authorizing a court to void a certain act and take
25 certain actions against a person who violates a certain stay under certain
26 circumstances; requiring a person who has certain possession, custody, or control of
27 certain property to turn the property over to the receiver under certain
28 circumstances; authorizing a certain creditor to retain possession, custody, or control
29 of certain property under certain circumstances; providing that a certain person may
30 not satisfy a certain debt in a certain manner; authorizing a court to sanction as civil
31 contempt a certain failure; requiring a certain owner to take certain actions under
32 certain circumstances; providing for the application of certain provisions of this Act
33 regarding the duties of a certain owner; authorizing a court to take certain actions
34 after a certain failure to perform a certain duty; providing that certain property is
35 subject to a certain security agreement; providing that a certain request or
36 application by a mortgagee does not have certain effects; requiring that a certain
37 assignee for the benefit of creditors be treated as a certain receiver; requiring certain
38 property to be treated in a certain manner; authorizing the court to issue a certain
39 order under certain circumstances; requiring a certain motion to be served in a
40 certain manner and on certain persons; authorizing a certain party to file a certain
41 appeal under certain circumstances and in a certain manner; establishing certain
42 reporting requirements; authorizing a court to award certain fees and expenses and
43 order a certain person to pay certain fees and expenses; providing that a receiver is
44 entitled to certain defenses and immunities; requiring a person to receive certain
45 approval from a court before taking certain actions; authorizing a court to remove a
46 receiver under certain circumstances; requiring a court to replace a certain receiver;
47 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 2016 Supplement)

BY repealing
Article – Commercial Law
Section 15–103
Annotated Code of Maryland
(2013 Replacement Volume and 2016 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 2016 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 THEM; OR

(V) ANY OTHER INDIVIDUAL OCCUPYING THE RESIDENCE OF THE INDIVIDUAL; AND

(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.

1 (C) “COUNTERPARTY” MEANS ANY OTHER PARTY OR PARTIES TO AN
2 EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH THE OWNER.

3 (D) “COURT” MEANS THE COURT IN WHICH THE RECEIVERSHIP IS FILED.

4 (E) “EXECUTORY CONTRACT” MEANS A CONTRACT, INCLUDING A LEASE,
5 UNDER WHICH THE OBLIGATIONS OF ALL PARTIES ARE NOT FULLY PERFORMED AND
6 THE FAILURE OF A PARTY TO COMPLETE PERFORMANCE OF ITS OBLIGATIONS
7 WOULD CONSTITUTE A MATERIAL BREACH.

8 (F) “GOOD FAITH” MEANS HONESTY IN FACT AND THE OBSERVANCE OF
9 REASONABLE COMMERCIAL STANDARDS OF FAIR DEALING.

10 (G) “GOVERNMENTAL UNIT” MEANS AN OFFICE, A DEPARTMENT, A
11 DIVISION, A BUREAU, A BOARD, A COMMISSION, OR ANY OTHER AGENCY OF THE
12 STATE OR A SUBDIVISION OF THE STATE.

13 (H) “INTELLECTUAL PROPERTY” MEANS, TO THE EXTENT PROTECTED BY
14 APPLICABLE LAW:

15 (1) A TRADE SECRET;

16 (2) AN INVENTION, PROCESS, DESIGN, OR PLANT;

17 (3) A PATENT APPLICATION;

18 (4) A PLANT VARIETY;

19 (5) A WORK OF AUTHORSHIP;

20 (6) A MASK WORK; OR

21 (7) A TRADEMARK OR SERVICE MARK.

22 (I) “LIEN” MEANS AN INTEREST IN PROPERTY THAT SECURES PAYMENT OR
23 PERFORMANCE OF AN OBLIGATION.

24 (J) “MASTER SERVICE LIST” MEANS THE LIST A RECEIVER IS REQUIRED TO
25 FILE WITH THE COURT UNDER § 24-501(C) OF THIS TITLE.

1 **(K) (1) “MORTGAGE” MEANS A RECORD, HOWEVER DENOMINATED, THAT**
2 **CREATES OR PROVIDES FOR A CONSENSUAL LIEN ON REAL PROPERTY OR RENTS,**
3 **EVEN IF IT ALSO CREATES OR PROVIDES FOR A LIEN ON PERSONAL PROPERTY.**

4 **(2) “MORTGAGE” INCLUDES:**

5 **(I) AN INDEMNITY MORTGAGE;**

6 **(II) A DEED OF TRUST; OR**

7 **(III) AN INDEMNITY DEED OF TRUST.**

8 **(L) “MORTGAGEE” MEANS A PERSON ENTITLED TO ENFORCE AN**
9 **OBLIGATION SECURED BY A MORTGAGE.**

10 **(M) “MORTGAGOR” MEANS A PERSON WHO GRANTS A MORTGAGE OR A**
11 **SUCCESSOR IN OWNERSHIP OF THE REAL PROPERTY DESCRIBED IN THE MORTGAGE.**

12 **(N) “OWNER” MEANS THE PERSON FOR WHOSE PROPERTY OR BUSINESS A**
13 **RECEIVER IS APPOINTED.**

14 **(O) “PERSON” INCLUDES AN INDIVIDUAL, AN ESTATE, A BUSINESS, A**
15 **NONPROFIT ENTITY, A PUBLIC CORPORATION, A GOVERNMENTAL UNIT, AN**
16 **INSTRUMENTALITY, OR ANY OTHER LEGAL ENTITY.**

17 **(P) “PROCEEDS” MEANS:**

18 **(1) WHATEVER IS ACQUIRED ON THE SALE, LEASE, LICENSE,**
19 **EXCHANGE, OR OTHER DISPOSITION OF RECEIVERSHIP PROPERTY;**

20 **(2) WHATEVER IS COLLECTED ON, OR DISTRIBUTED ON ACCOUNT OF,**
21 **RECEIVERSHIP PROPERTY;**

22 **(3) RIGHTS ARISING OUT OF RECEIVERSHIP PROPERTY;**

23 **(4) TO THE EXTENT OF THE VALUE OF RECEIVERSHIP PROPERTY,**
24 **CLAIMS ARISING OUT OF THE LOSS, NONCONFORMITY, OR INTERFERENCE WITH THE**
25 **USE OF, DEFECTS OR INFRINGEMENT OF RIGHTS IN, OR DAMAGE TO THE PROPERTY;**
26 **OR**

27 **(5) TO THE EXTENT OF THE VALUE OF RECEIVERSHIP PROPERTY AND**
28 **TO THE EXTENT PAYABLE TO THE OWNER OR MORTGAGEE, INSURANCE PAYABLE BY**
29 **REASON OF:**

1 (I) THE LOSS OR NONCONFORMITY OF THE PROPERTY;

2 (II) DEFECTS OR INFRINGEMENT OF RIGHTS IN THE PROPERTY;

3 OR

4 (III) DAMAGE TO THE PROPERTY.

5 (Q) (1) "PROPERTY" MEANS ALL OF A PERSON'S RIGHT, TITLE, AND
6 INTEREST, BOTH LEGAL AND EQUITABLE, IN REAL AND PERSONAL PROPERTY,
7 TANGIBLE AND INTANGIBLE, WHEREVER LOCATED AND HOWEVER ACQUIRED.

8 (2) "PROPERTY" INCLUDES PROCEEDS, PRODUCTS, OFFSPRING,
9 RENTS, OR PROFITS OF OR FROM THE PROPERTY.

10 (3) "PROPERTY" DOES NOT INCLUDE:

11 (I) ANY POWER THAT THE OWNER MAY EXERCISE SOLELY FOR
12 THE BENEFIT OF ANOTHER PERSON; OR

13 (II) PROPERTY IMPRESSED WITH A TRUST, EXCEPT TO THE
14 EXTENT THAT THE OWNER HAS A RESIDUAL INTEREST.

15 (R) "RECEIVER" MEANS A PERSON APPOINTED BY THE COURT UNDER §
16 24-201(A) OF THIS TITLE, AND SUBJECT TO THE COURT'S AUTHORITY, TO TAKE
17 POSSESSION OF, MANAGE, AND, IF AUTHORIZED BY THIS TITLE OR COURT ORDER,
18 TRANSFER, SELL, LEASE, LICENSE, EXCHANGE, COLLECT, OR OTHERWISE DISPOSE
19 OF RECEIVERSHIP PROPERTY.

20 (S) "RECEIVERSHIP" MEANS A PROCEEDING IN WHICH A RECEIVER IS
21 APPOINTED.

22 (T) (1) "RECEIVERSHIP PROPERTY" MEANS THE PROPERTY OR BUSINESS
23 OF AN OWNER THAT IS DESCRIBED IN THE ORDER APPOINTING A RECEIVER OR A
24 SUBSEQUENT ORDER.

25 (2) "RECEIVERSHIP PROPERTY" INCLUDES ANY PRODUCTS,
26 OFFSPRING, PROFITS, AND PROCEEDS OF THE PROPERTY.

27 (U) "RECORD" MEANS INFORMATION THAT IS:

28 (1) (I) INSCRIBED ON A TANGIBLE MEDIUM; OR

1 (II) STORED ON AN ELECTRONIC OR OTHER MEDIUM; AND

2 (2) RETRIEVABLE IN PERCEIVABLE FORM.

3 (V) "RENTS" MEANS:

4 (1) SUMS PAYABLE FOR THE RIGHT TO POSSESS OR OCCUPY, OR FOR
5 THE ACTUAL POSSESSION OR OCCUPATION OF, REAL PROPERTY OF ANOTHER
6 PERSON;

7 (2) SUMS PAYABLE TO A MORTGAGOR OR AN OWNER UNDER A POLICY
8 OF RENTAL-INTERRUPTION INSURANCE COVERING REAL PROPERTY;

9 (3) CLAIMS ARISING OUT OF A DEFAULT IN THE PAYMENT OF SUMS
10 PAYABLE FOR THE RIGHT TO POSSESS OR OCCUPY REAL PROPERTY OF ANOTHER
11 PERSON;

12 (4) SUMS PAYABLE TO TERMINATE AN AGREEMENT TO POSSESS OR
13 OCCUPY REAL PROPERTY OF ANOTHER PERSON;

14 (5) SUMS PAYABLE TO A MORTGAGOR OR AN OWNER FOR PAYMENT
15 OR REIMBURSEMENT OF EXPENSES INCURRED IN OWNING, OPERATING, AND
16 MAINTAINING REAL PROPERTY, OR CONSTRUCTING OR INSTALLING IMPROVEMENTS
17 ON REAL PROPERTY; OR

18 (6) OTHER SUMS PAYABLE UNDER AN AGREEMENT RELATING TO THE
19 REAL PROPERTY OF ANOTHER PERSON THAT CONSTITUTE RENTS UNDER
20 MARYLAND LAW.

21 (W) "SECURED OBLIGATION" MEANS AN OBLIGATION THE PAYMENT OR
22 PERFORMANCE OF WHICH IS SECURED BY A SECURITY AGREEMENT.

23 (X) "SECURITY AGREEMENT" MEANS AN AGREEMENT THAT CREATES OR
24 PROVIDES FOR A LIEN ON REAL OR PERSONAL PROPERTY.

25 (Y) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR ADOPT A
26 RECORD:

27 (1) TO EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR

28 (2) TO ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN
29 ELECTRONIC SOUND, SYMBOL, OR PROCESS.

(Z) "STATE" MEANS A STATE OF THE UNITED STATES, 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.

(AA) "TIMESHARE INTEREST" MEANS AN INTEREST THAT:

(1) HAS A DURATION OF MORE THAN 3 YEARS;

(2) GRANTS ITS HOLDER 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, § 3-414, 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 ITS AFFAIRS.

(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 RENTS OR 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 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, UNLESS:

(1) THE GOVERNMENTAL UNIT OR THE PERSON ACTING IN AN OFFICIAL CAPACITY ON BEHALF OF THE 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.

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 ITS REVENUE-PRODUCING POTENTIAL:

1 (I) IS BEING SUBJECTED TO OR IS IN DANGER OF WASTE, LOSS,
2 DISSIPATION, OR IMPAIRMENT; OR

3 (II) HAS BEEN OR IS ABOUT TO BE THE SUBJECT OF A
4 FRAUDULENT CONVEYANCE VOIDABLE UNDER TITLE 15, SUBTITLE 2 OF THIS
5 ARTICLE;

6 (2) AFTER JUDGMENT, TO:

7 (I) CARRY THE JUDGMENT INTO EFFECT; OR

8 (II) PRESERVE NONEXEMPT PROPERTY:

9 1. PENDING APPEAL; OR

10 2. WHEN AN EXECUTION HAS BEEN RETURNED
11 UNSATISFIED AND THE OWNER REFUSES TO APPLY THE PROPERTY IN SATISFACTION
12 OF THE JUDGMENT; OR

13 (3) IN AN ACTION IN WHICH A RECEIVER FOR PROPERTY MAY BE
14 APPOINTED ON EQUITABLE GROUNDS.

15 (B) (1) IN CONNECTION WITH OR ANTICIPATION OF A FORECLOSURE OR
16 ANY OTHER ENFORCEMENT OF A MORTGAGE, A MORTGAGEE IS ENTITLED TO
17 APPOINTMENT OF A RECEIVER.

18 (2) ON REQUEST, A COURT SHALL APPOINT A RECEIVER FOR THE
19 MORTGAGED PROPERTY IF:

20 (I) THERE IS A DEFAULT UNDER THE MORTGAGE; AND

21 (II) 1. APPOINTMENT OF A RECEIVER IS NECESSARY TO
22 PROTECT THE PROPERTY FROM WASTE, LOSS, TRANSFER, DISSIPATION, OR
23 IMPAIRMENT;

24 2. THE MORTGAGOR AGREED IN A SIGNED RECORD,
25 INCLUDING THE MORTGAGE OR AN ASSIGNMENT OF LEASES AND RENTS, TO THE
26 APPOINTMENT OF A RECEIVER ON DEFAULT;

27 3. THE OWNER AGREED, AFTER DEFAULT AND IN A
28 SIGNED RECORD, TO THE APPOINTMENT OF A RECEIVER;

1 4. THE PROPERTY AND ANY OTHER COLLATERAL HELD
2 BY THE MORTGAGEE ARE NOT SUFFICIENT TO SATISFY THE SECURED OBLIGATION;

3 5. THE OWNER FAILS TO TURN OVER TO THE
4 MORTGAGEE PROCEEDS OR RENTS THE MORTGAGEE WAS ENTITLED TO COLLECT;
5 OR

6 6. THE HOLDER OF A SUBORDINATE LIEN OBTAINS THE
7 APPOINTMENT OF A RECEIVER FOR THE PROPERTY.

8 (C) (1) A COURT MAY CONDITION APPOINTMENT OF A RECEIVER
9 WITHOUT PRIOR NOTICE UNDER § 24-501(B)(1) OF THIS TITLE, OR WITHOUT A
10 PRIOR HEARING UNDER § 24-501(B)(2) OF THIS TITLE, ON THE GIVING OF SECURITY
11 BY THE PERSON SEEKING THE APPOINTMENT FOR:

12 (I) THE PAYMENT OF DAMAGES;

13 (II) REASONABLE ATTORNEY'S FEES; OR

14 (III) IF THE COURT CONCLUDES THAT THE APPOINTMENT WAS
15 NOT JUSTIFIED, COSTS INCURRED BY ANY PERSON.

16 (2) IF THE COURT LATER CONCLUDES THAT THE APPOINTMENT WAS
17 JUSTIFIED, THE COURT SHALL RELEASE THE SECURITY.

18 24-202.

19 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A COURT MAY APPOINT
20 AS AN ANCILLARY RECEIVER FOR PROPERTY LOCATED IN THE STATE OR SUBJECT
21 TO THE JURISDICTION OF THE COURT FOR WHICH A RECEIVER COULD BE
22 APPOINTED UNDER THIS TITLE:

23 (1) A RECEIVER APPOINTED IN ANOTHER STATE; OR

24 (2) A NOMINEE OF THE RECEIVER IN THE OTHER STATE.

25 (B) AN ANCILLARY RECEIVER UNDER SUBSECTION (A) OF THIS SECTION
26 SHALL:

27 (1) BE ELIGIBLE TO SERVE AS A RECEIVER UNDER § 24-203 OF THIS
28 SUBTITLE; AND

1 **(2) FURTHER THE PERSON’S POSSESSION, CUSTODY, CONTROL, OR**
2 **DISPOSITION OF PROPERTY SUBJECT TO THE RECEIVERSHIP IN THE OTHER STATE.**

3 **(C) A COURT MAY ISSUE AN ORDER THAT GIVES EFFECT TO AN ORDER**
4 **ENTERED IN ANOTHER STATE APPOINTING OR DIRECTING A RECEIVER.**

5 **(D) UNLESS THE COURT ORDERS OTHERWISE, AN ANCILLARY RECEIVER**
6 **APPOINTED UNDER SUBSECTION (A) OF THIS SECTION HAS THE RIGHTS, POWERS,**
7 **AND DUTIES OF A RECEIVER APPOINTED UNDER THIS TITLE.**

8 **24–203.**

9 **(A) A COURT MAY NOT APPOINT A PERSON AS A RECEIVER UNLESS THE**
10 **PERSON PROVIDES A STATEMENT UNDER PENALTY OF PERJURY THAT THE PERSON**
11 **IS NOT DISQUALIFIED UNDER SUBSECTION (B) OF THIS SECTION.**

12 **(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS**
13 **SECTION, A PERSON IS DISQUALIFIED FROM APPOINTMENT AS A RECEIVER IF THE**
14 **PERSON:**

15 **(1) IS AN AFFILIATE OF A PARTY;**

16 **(2) HAS A MATERIAL FINANCIAL INTEREST IN THE OUTCOME OF THE**
17 **ACTION, OTHER THAN COMPENSATION THE COURT MAY ALLOW THE RECEIVER;**

18 **(3) HAS A DEBTOR–CREDITOR RELATIONSHIP WITH A PARTY;**

19 **(4) HOLDS AN EQUITY INTEREST IN A PARTY, OTHER THAN A**
20 **NONCONTROLLING INTEREST IN A PUBLICLY TRADED COMPANY;**

21 **(5) IS OR WAS A DIRECTOR, AN OFFICER, OR AN EMPLOYEE OF THE**
22 **OWNER WITHIN THE 2–YEAR PERIOD IMMEDIATELY PRECEDING THE APPOINTMENT**
23 **OF THE RECEIVER;**

24 **(6) (I) HAS BEEN CONVICTED OF A FELONY OR ANY OTHER CRIME**
25 **INVOLVING MORAL TURPITUDE; OR**

26 **(II) IS SUPERVISED BY OR AN EMPLOYEE OF A PERSON WHO HAS**
27 **BEEEN CONVICTED OF A FELONY OR ANY OTHER CRIME OF MORAL TURPITUDE;**

28 **(7) (I) HAS BEEN FOUND LIABLE IN CIVIL COURT FOR FRAUD,**
29 **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 THE 2-YEAR PERIOD 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

1 **2. THE PERSON IS NOT DISQUALIFIED FOR A REASON**
2 **LISTED IN SUBSECTION (B)(1) THROUGH (4) OR (B)(6) THROUGH (8) OF THIS**
3 **SECTION.**

4 **(D) (1) A PERSON SEEKING APPOINTMENT OF A RECEIVER MAY**
5 **NOMINATE A PERSON TO SERVE AS RECEIVER.**

6 **(2) A COURT IS NOT BOUND BY A NOMINATION RECEIVED UNDER**
7 **PARAGRAPH (1) OF THIS SUBSECTION.**

8 **24-204.**

9 **(A) THE COURT MAY:**

10 **(1) REQUIRE A RECEIVER TO POST A BOND OR SECURITY WITH THE**
11 **COURT;**

12 **(2) AUTHORIZE A RECEIVER TO ACT WITHOUT POSTING A BOND OR**
13 **OTHER SECURITY; OR**

14 **(3) AUTHORIZE A RECEIVER TO ACT BEFORE THE RECEIVER POSTS**
15 **ANY BOND REQUIRED BY THE COURT.**

16 **(B) THE BOND MAY BE:**

17 **(1) CONDITIONED ON THE FAITHFUL DISCHARGE OF THE RECEIVER'S**
18 **DUTIES;**

19 **(2) WITH ONE OR MORE SURETIES APPROVED BY THE COURT;**

20 **(3) IN AN AMOUNT THE COURT SPECIFIES; OR**

21 **(4) EFFECTIVE AS OF THE DATE OF THE RECEIVER'S APPOINTMENT.**

22 **(C) THE COURT MAY ALSO PERMIT A RECEIVER TO ACT WITHOUT POSTING**
23 **A BOND OR OTHER SECURITY.**

24 **24-205.**

25 **(A) A COURT THAT APPOINTS A RECEIVER UNDER THIS TITLE:**

1 **(1) HAS EXCLUSIVE JURISDICTION TO DIRECT THE RECEIVER AND**
2 **DETERMINE ANY CONTROVERSY RELATED TO THE RECEIVERSHIP OR RECEIVERSHIP**
3 **PROPERTY WHEREVER LOCATED WITHIN THE STATE, INCLUDING ALL**
4 **CONTROVERSIES RELATING TO:**

5 **(I) THE COLLECTION, PRESERVATION, IMPROVEMENT,**
6 **DISPOSITION, AND DISTRIBUTION OF RECEIVERSHIP PROPERTY;**

7 **(II) THE EXERCISE OF THE RECEIVER’S POWERS; OR**

8 **(III) THE PERFORMANCE OF THE RECEIVER’S DUTIES; AND**

9 **(2) MAY, ON MOTION BY A PARTY IN INTEREST OR ON ITS OWN**
10 **INITIATIVE, ASSIGN THE RECEIVERSHIP TO A JUDGE WHO SHALL BE RESPONSIBLE**
11 **FOR THE ENTIRE CASE DURING THE COURSE OF THE RECEIVERSHIP.**

12 **SUBTITLE 3. RIGHTS, POWERS, AND DUTIES OF A RECEIVER.**

13 **24-301.**

14 **(A) EXCEPT AS LIMITED BY COURT ORDER OR A LAW OF THE STATE OTHER**
15 **THAN THIS TITLE, A RECEIVER MAY:**

16 **(1) COLLECT, CONTROL, MANAGE, CONSERVE, AND PROTECT**
17 **RECEIVERSHIP PROPERTY;**

18 **(2) OPERATE A BUSINESS CONSTITUTING RECEIVERSHIP PROPERTY,**
19 **INCLUDING PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE, COLLECTION,**
20 **OR DISPOSITION OF THE PROPERTY IN THE ORDINARY COURSE OF BUSINESS;**

21 **(3) IN THE ORDINARY COURSE OF BUSINESS:**

22 **(I) INCUR UNSECURED DEBT FOR THE RECEIVER’S**
23 **PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE, COLLECTION, OR**
24 **DISPOSITION OF THE BUSINESS OR RECEIVERSHIP PROPERTY; OR**

25 **(II) PAY ORDINARY, REASONABLE, AND NECESSARY EXPENSES**
26 **FOR THE RECEIVER’S PRESERVATION, USE, SALE, LEASE, LICENSE, EXCHANGE,**
27 **COLLECTION, OR DISPOSITION OF THE BUSINESS OR RECEIVERSHIP PROPERTY;**

28 **(4) EMPLOY AND DISCHARGE AGENTS, CONTRACTORS, AND**
29 **EMPLOYEES THAT ARE NECESSARY TO MANAGE, OPERATE, PRESERVE, IMPROVE,**
30 **SECURE, AND MARKET THE BUSINESS OR RECEIVERSHIP PROPERTY;**

1 **(5) ASSERT A RIGHT, CLAIM, CAUSE OF ACTION, PRIVILEGE, OR**
2 **DEFENSE OF THE OWNER THAT RELATES TO THE BUSINESS OR RECEIVERSHIP**
3 **PROPERTY, PROVIDED THAT, IN THE CASE OF A RECEIVERSHIP UNDER § 24-103(A)**
4 **OF THIS SUBTITLE, THE CLAIM, CAUSE OF ACTION, PRIVILEGE, OR DEFENSE SHALL**
5 **NOT BE BARRED BY THE DOCTRINE OF PARI DELICTO;**

6 **(6) SEEK AND OBTAIN INSTRUCTION FROM THE COURT REGARDING:**

7 **(I) MANAGING OR DISPOSING OF THE BUSINESS OR**
8 **RECEIVERSHIP PROPERTY;**

9 **(II) EXERCISING THE POWERS OF THE RECEIVER; OR**

10 **(III) PERFORMING THE DUTIES OF THE RECEIVER;**

11 **(7) AFTER BEING ISSUED A SUBPOENA, WITH RESPECT TO THE**
12 **RECEIVERSHIP PROPERTY OR ANY OTHER MATTER THAT MAY AFFECT**
13 **ADMINISTRATION OF THE RECEIVERSHIP, COMPEL A PERSON TO:**

14 **(I) SUBMIT TO EXAMINATION UNDER OATH; OR**

15 **(II) PRODUCE AND PERMIT INSPECTION AND COPYING OF**
16 **RECORDS OR OTHER TANGIBLE PROPERTY;**

17 **(8) ENGAGE A PROFESSIONAL AS PROVIDED IN § 24-303 OF THIS**
18 **SUBTITLE;**

19 **(9) APPLY TO A COURT OF ANOTHER STATE FOR APPOINTMENT AS**
20 **ANCILLARY RECEIVER WITH RESPECT TO RECEIVERSHIP PROPERTY LOCATED IN**
21 **THAT STATE;**

22 **(10) IN A RECEIVERSHIP UNDER § 24-103(A)(2) OR (3) OF THIS TITLE,**
23 **EXERCISE ANY RIGHTS OR POWERS PROVIDED FOR IN § 15-101 OF THIS ARTICLE; OR**

24 **(11) EXERCISE ANY OTHER POWER CONFERRED BY COURT ORDER,**
25 **THIS TITLE, OR A LAW OF THE STATE OTHER THAN THIS TITLE.**

26 **(B) WITH COURT APPROVAL, A RECEIVER MAY:**

27 **(1) INCUR DEBT ON AN UNSECURED OR SECURED BASIS FOR THE USE**
28 **OR BENEFIT OF THE BUSINESS OR RECEIVERSHIP PROPERTY, OTHER THAN IN THE**

1 ORDINARY COURSE OF BUSINESS, PROVIDED THAT SECURED DEBT SHALL BE
2 SUBJECT TO EXISTING LIENS;

3 (2) PAY OBLIGATIONS INCURRED BEFORE THE RECEIVER'S
4 APPOINTMENT IF AND TO THE EXTENT THAT:

5 (I) THE PAYMENT IS DETERMINED TO BE REASONABLE AND
6 NECESSARY FOR THE PRESERVATION OF THE BUSINESS OR RECEIVERSHIP
7 PROPERTY; AND

8 (II) THE FUNDS USED UNDER THIS PARAGRAPH ARE NOT
9 SUBJECT TO ANY LIEN IN FAVOR OF A CREDITOR WHO HAS NOT CONSENTED TO THE
10 PAYMENT, OR WHOSE INTEREST IS NOT ADEQUATELY PROTECTED;

11 (3) MAKE IMPROVEMENTS TO RECEIVERSHIP PROPERTY;

12 (4) USE OR TRANSFER RECEIVERSHIP PROPERTY, OTHER THAN IN
13 THE ORDINARY COURSE OF BUSINESS, AS PROVIDED IN § 24-304 OF THIS SUBTITLE;

14 (5) ASSUME, REJECT, OR ASSUME AND ASSIGN AN EXECUTORY
15 CONTRACT OF THE OWNER AS PROVIDED IN § 24-305 OF THIS SUBTITLE;

16 (6) PAY COMPENSATION TO:

17 (I) THE RECEIVER AS PROVIDED IN § 24-601 OR § 24-602 OF
18 THIS TITLE; OR

19 (II) TO EACH PROFESSIONAL ENGAGED BY THE RECEIVER AS
20 PROVIDED IN § 24-303 OF THIS SUBTITLE;

21 (7) RECOMMEND ALLOWANCE OR DISALLOWANCE OF A CLAIM OF A
22 CREDITOR AS PROVIDED IN § 24-302 OF THIS SUBTITLE;

23 (8) ABANDON ANY PROPERTY THAT IS BURDENSOME OR NOT OF
24 MATERIAL VALUE TO THE RECEIVERSHIP; AND

25 (9) MAKE A DISTRIBUTION OF RECEIVERSHIP PROPERTY AS
26 PROVIDED IN § 24-302 OF THIS TITLE.

27 (C) A RECEIVER SHALL:

1 **(1) PREPARE AND RETAIN APPROPRIATE BUSINESS RECORDS,**
2 **INCLUDING A RECORD OF EACH RECEIPT, DISBURSEMENT, AND DISPOSITION OF THE**
3 **BUSINESS OR RECEIVERSHIP PROPERTY;**

4 **(2) ACCOUNT FOR THE BUSINESS OR RECEIVERSHIP PROPERTY,**
5 **INCLUDING THE PROCEEDS OF A SALE, A LEASE, A LICENSE, AN EXCHANGE, A**
6 **COLLECTION, OR ANY OTHER DISPOSITION OF THE RECEIVERSHIP PROPERTY;**

7 **(3) IF THE RECEIVERSHIP INCLUDES REAL PROPERTY, FILE IN THE**
8 **LAND RECORDS OF THE COUNTY IN WHICH THE REAL PROPERTY IS LOCATED A COPY**
9 **OF THE ORDER APPOINTING THE RECEIVER, AND IF A LEGAL DESCRIPTION IS NOT**
10 **INCLUDED IN THE ORDER, INCLUDE A LEGAL DESCRIPTION OF THE REAL PROPERTY;**

11 **(4) DISCLOSE TO THE COURT ANY FACT ARISING DURING THE**
12 **RECEIVERSHIP THAT WOULD DISQUALIFY THE RECEIVER UNDER § 24–203 OF THIS**
13 **TITLE; AND**

14 **(5) PERFORM ANY DUTY IMPOSED BY COURT ORDER, THIS TITLE, OR**
15 **LAW OF THE STATE OTHER THAN THIS TITLE.**

16 **(D) THE POWERS AND DUTIES OF A RECEIVER MAY BE EXPANDED,**
17 **MODIFIED, OR LIMITED BY COURT ORDER.**

18 **24–302.**

19 **(A) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A**
20 **RECEIVER SHALL GIVE NOTICE OF THE APPOINTMENT OF THE RECEIVER TO**
21 **CREDITORS OF THE OWNER IF:**

22 **(1) THE RECEIVERSHIP IS A RECEIVERSHIP UNDER § 24–103(A)(2) OR**
23 **(3) OF THIS TITLE; OR**

24 **(2) ORDERED BY A COURT.**

25 **(B) (1) THE RECEIVER SHALL PROVIDE THE NOTICE REQUIRED UNDER**
26 **SUBSECTION (A) OF THIS SECTION:**

27 **(I) TO EACH CREDITOR HOLDING A CLAIM AGAINST THE**
28 **OWNER THAT AROSE BEFORE THE APPOINTMENT OF THE RECEIVER; AND**

29 **(II) BY:**

1 1. FIRST-CLASS MAIL OR OTHER COMMERCIALY
2 REASONABLE DELIVERY METHOD TO THE LAST KNOWN ADDRESS OF THE CREDITOR
3 AND THE CREDITOR'S ATTORNEY, IF KNOWN; AND

4 2. PUBLICATION AS DIRECTED BY THE COURT.

5 (2) (I) THE NOTICE SHALL SPECIFY THE DATE BY WHICH THE
6 CREDITOR MUST SUBMIT THE CLAIM TO THE RECEIVER.

7 (II) UNLESS THE COURT EXTENDS THE PERIOD FOR
8 SUBMITTING A CLAIM, THE DATE SPECIFIED IN THE NOTICE SHALL BE AT LEAST 120
9 DAYS AFTER THE LATER OF THE DATE OF:

10 1. THE NOTICE; OR

11 2. THE MOST RECENT PUBLICATION AS DIRECTED BY
12 THE COURT UNDER PARAGRAPH (1)(II)2 OF THIS SUBSECTION.

13 (III) UNLESS THE COURT ORDERS OTHERWISE, A CLAIM THAT IS
14 NOT SUBMITTED WITHIN THE APPROPRIATE TIME PERIOD UNDER SUBPARAGRAPH
15 (II) OF THIS PARAGRAPH IS NOT ENTITLED TO A DISTRIBUTION FROM THE
16 RECEIVERSHIP PROPERTY.

17 (C) A CLAIM SUBMITTED BY A CREDITOR UNDER THIS SECTION SHALL:

18 (1) STATE THE NAME AND ADDRESS OF THE CREDITOR;

19 (2) STATE THE AMOUNT AND BASIS OF THE CREDITOR'S CLAIM;

20 (3) IDENTIFY ANY PROPERTY SECURING THE CREDITOR'S CLAIM;

21 (4) BE SIGNED BY THE CREDITOR UNDER PENALTY OF PERJURY; AND

22 (5) INCLUDE A COPY OF ANY RECORD ON WHICH THE CREDITOR'S
23 CLAIM IS BASED.

24 (D) AN ASSIGNMENT BY A CREDITOR OF A CLAIM AGAINST THE OWNER IS
25 EFFECTIVE AGAINST THE RECEIVER ONLY IF THE ASSIGNEE GIVES TIMELY NOTICE
26 OF THE ASSIGNMENT TO THE RECEIVER IN A SIGNED RECORD.

27 (E) (1) AT ANY TIME BEFORE ENTRY OF AN ORDER APPROVING A
28 RECEIVER'S FINAL REPORT, THE RECEIVER MAY FILE WITH THE COURT AN
29 OBJECTION TO A CLAIM OF A CREDITOR, STATING THE BASIS FOR THE OBJECTION.

1 **(2) THE COURT SHALL ALLOW OR DISALLOW THE CLAIM.**

2 **(F) IF THE COURT CONCLUDES THAT RECEIVERSHIP PROPERTY IS LIKELY**
3 **TO BE INSUFFICIENT TO SATISFY CLAIMS OF EACH CREDITOR HOLDING A**
4 **PERFECTED LIEN ON THE PROPERTY, THE COURT MAY ORDER THAT:**

5 **(1) THE RECEIVER DOES NOT NEED TO GIVE NOTICE OF THE**
6 **APPOINTMENT UNDER SUBSECTION (A) OF THIS SECTION TO ALL UNSECURED**
7 **CREDITORS OF THE OWNER, BUT ONLY TO THE UNSECURED CREDITORS AS THE**
8 **COURT DIRECTS; AND**

9 **(2) AN UNSECURED CREDITOR DOES NOT NEED TO SUBMIT A CLAIM**
10 **UNDER THIS SECTION.**

11 **(G) (1) SUBJECT TO § 24-701 OF THIS TITLE, A DISTRIBUTION OF**
12 **RECEIVERSHIP PROPERTY TO A CREDITOR HOLDING A PERFECTED LIEN ON THE**
13 **PROPERTY SHALL BE MADE IN ACCORDANCE WITH THE CREDITOR'S PRIORITY**
14 **UNDER APPLICABLE LAW.**

15 **(2) A DISTRIBUTION OF RECEIVERSHIP PROPERTY TO A CREDITOR**
16 **WITH AN ALLOWED UNSECURED CLAIM SHALL BE MADE AS THE COURT DIRECTS.**

17 **24-303.**

18 **(A) (1) A RECEIVER SHALL OBTAIN COURT APPROVAL BEFORE**
19 **ENGAGING ONE OR MORE ATTORNEYS, ACCOUNTANTS, APPRAISERS, AUCTIONEERS,**
20 **BROKERS, OR OTHER PROFESSIONALS TO ASSIST THE RECEIVER IN PERFORMING**
21 **THE RECEIVER'S DUTIES AND ADMINISTERING RECEIVERSHIP PROPERTY.**

22 **(2) THE RECEIVER OR ANOTHER PERSON MAY REQUEST**
23 **APPOINTMENT OF A PROFESSIONAL TO PROVIDE SERVICES TO THE RECEIVERSHIP.**

24 **(3) A REQUEST UNDER THIS SECTION SHALL DISCLOSE TO THE**
25 **COURT:**

26 **(I) THE IDENTITY AND QUALIFICATIONS OF THE**
27 **PROFESSIONAL;**

28 **(II) THE SCOPE AND NATURE OF THE PROPOSED ENGAGEMENT;**

29 **(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 OTHER PARTY.

(II) THE COURT MAY DISQUALIFY A PERSON UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE COURT DETERMINES 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 IT 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 ONLY 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, 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 ONLY TRANSFER RECEIVERSHIP PROPERTY UNDER SUBSECTION (B) OF THIS SECTION FREE AND CLEAR OF ANY LIEN 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.

1 **(E) (1) THIS SUBSECTION APPLIES TO THE SALE OR EXCHANGE OF**
2 **RECEIVERSHIP PROPERTY UNDER SUBSECTION (B) OF THIS SECTION.**

3 **(2) BEFORE FILING A MOTION TO SELL OR EXCHANGE RECEIVERSHIP**
4 **PROPERTY, THE RECEIVER SHALL PERFORM OR OBTAIN A COMPLETE SEARCH OF**
5 **THE PUBLIC RECORDS TO DETERMINE THE HOLDERS OF LIENS AND OTHER**
6 **INTERESTS IN THE RECEIVERSHIP PROPERTY.**

7 **(3) IF THE REQUESTED SALE OR EXCHANGE IS FOR REAL PROPERTY,**
8 **THE SEARCH SHALL:**

9 **(I) COVER A TIME PERIOD OF AT LEAST 40 YEARS**
10 **IMMEDIATELY BEFORE THE MOTION IS FILED; AND**

11 **(II) BE IN ACCORDANCE WITH GENERALLY ACCEPTED**
12 **STANDARDS OF TITLE EXAMINATION.**

13 **(4) THE MOTION SHALL INCLUDE AN AFFIDAVIT BY THE PERSON**
14 **MAKING THE SEARCH IDENTIFYING THE HOLDERS OF LIENS AND OTHER INTERESTS.**

15 **(5) THE RECEIVER SHALL UPDATE THE MASTER SERVICE LIST BASED**
16 **ON THE SEARCH TO INCLUDE ANY PERSON NOT PREVIOUSLY INCLUDED.**

17 **(6) (I) IF THE RECEIVER RECEIVES ACTUAL NOTICE AT ANY TIME**
18 **BEFORE THE SALE THAT THERE IS A PERSON HOLDING A LIEN OR OTHER INTEREST**
19 **IN THE PROPERTY WHO IS NOT INCLUDED ON THE MASTER SERVICE LIST AND WHOSE**
20 **IDENTITY AND ADDRESS ARE REASONABLY ASCERTAINABLE, THE RECEIVER SHALL**
21 **GIVE NOTICE OF THE TIME, PLACE, AND TERMS OF SALE TO THE PERSON AS**
22 **PROMPTLY AS REASONABLY PRACTICABLE.**

23 **(II) THE NOTICE MAY BE GIVEN IN ANY MANNER REASONABLY**
24 **CALCULATED TO INFORM THE PERSON OF THE SALE, INCLUDING BY TELEPHONE OR**
25 **ELECTRONIC TRANSMISSION.**

26 **(F) A LIEN OR OTHER INTEREST IN RECEIVERSHIP PROPERTY THAT IS**
27 **EXTINGUISHED BY A TRANSFER UNDER SUBSECTION (B) OF THIS SECTION**
28 **ATTACHES TO THE PROCEEDS OF THE TRANSFER WITH THE SAME VALIDITY,**
29 **PERFECTION, AND PRIORITY AS THE LIEN OR OTHER INTEREST IN THE PROPERTY**
30 **IMMEDIATELY BEFORE THE TRANSFER, EVEN IF THE PROCEEDS ARE NOT**
31 **SUFFICIENT TO SATISFY ALL OBLIGATIONS SECURED BY THE LIEN OR OTHER**
32 **INTEREST.**

1 **(G) A CREDITOR HOLDING A VALID LIEN ON THE RECEIVERSHIP PROPERTY**
2 **TO BE TRANSFERRED MAY PURCHASE THE RECEIVERSHIP PROPERTY AND OFFSET**
3 **AGAINST THE PURCHASE PRICE ALL OR PART OF THE ALLOWED AMOUNT SECURED**
4 **BY THE LIEN IF:**

5 **(1) THE CREDITOR TENDERS FUNDS SUFFICIENT TO SATISFY IN FULL**
6 **THE REASONABLE EXPENSES OF THE TRANSFER; AND**

7 **(2) THE OBLIGATION IS SECURED BY A SENIOR LIEN THAT IS**
8 **EXTINGUISHED BY THE TRANSFER.**

9 **(H) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
10 **THIS SUBSECTION APPLIES TO A REVERSAL OR MODIFICATION OF AN ORDER**
11 **APPROVING A TRANSFER UNDER SUBSECTION (B) OF THIS SECTION.**

12 **(II) THIS SUBSECTION DOES NOT APPLY IF THE COURT STAYED**
13 **THE ORDER BEFORE THE TRANSFER.**

14 **(2) REGARDLESS OF WHETHER A PERSON KNEW BEFORE THE**
15 **TRANSFER OF THE REQUEST FOR REVERSAL OR MODIFICATION, A REVERSAL OR**
16 **MODIFICATION OF AN ORDER APPROVING A TRANSFER DOES NOT:**

17 **(I) AFFECT THE VALIDITY OF THE TRANSFER TO A PERSON**
18 **THAT ACQUIRED THE RECEIVERSHIP PROPERTY IN GOOD FAITH; OR**

19 **(II) REVIVE AGAINST THE PERSON ANY LIEN OR OTHER**
20 **INTEREST EXTINGUISHED BY THE TRANSFER.**

21 **24-305.**

22 **(A) (1) (I) AT ANY TIME BEFORE A COURT'S APPROVAL OF A FINAL**
23 **REPORT UNDER § 24-602 OF THIS TITLE, A RECEIVER MAY ASSUME OR REJECT AN**
24 **EXECUTORY CONTRACT OF THE OWNER IF THE RECEIVER HAS PROVIDED NOTICE OF**
25 **THE CONTRACT AND THE HEARING TO THE COUNTERPARTY TO THE CONTRACT.**

26 **(II) IF THE REQUIREMENT UNDER SUBPARAGRAPH (I) OF THIS**
27 **PARAGRAPH IS NOT SATISFIED, THE EXECUTORY CONTRACT SHALL BE DEEMED**
28 **REJECTED.**

29 **(2) (I) THE COURT MAY CONDITION THE ASSUMPTION OR**
30 **REJECTION OF AN EXECUTORY CONTRACT ON THE TERMS AND CONDITIONS THAT**
31 **THE COURT DETERMINES ARE JUST AND PROPER UNDER THE PARTICULAR**

1 CIRCUMSTANCES OF THE CASE, EXCEPT THAT A CONDITION TO ASSUMPTION SHALL
2 BE PROMPT CURE OF ALL EXISTING MONETARY DEFAULTS.

3 (II) A RECEIVER'S PERFORMANCE OF AN EXECUTORY
4 CONTRACT BEFORE A COURT ORDER AUTHORIZING ITS ASSUMPTION OR REJECTION
5 DOES NOT CONSTITUTE AN ASSUMPTION OF THE CONTRACT OR AN AGREEMENT TO
6 ASSUME OR OTHERWISE PREVENT THE RECEIVER FROM SEEKING THE COURT'S
7 AUTHORITY TO REJECT IT.

8 (B) NOTWITHSTANDING THE TIME PERIOD FOR ASSUMPTION OR
9 REJECTION OF AN EXECUTORY CONTRACT UNDER SUBSECTION (A) OF THIS
10 SECTION, THE COURT, FOR CAUSE, MAY ORDER THE RECEIVER TO ASSUME OR
11 REJECT AN EXECUTORY CONTRACT AT ANY TIME AFTER THE RECEIVER'S
12 APPOINTMENT.

13 (C) ANY OBLIGATION OR LIABILITY INCURRED BY A RECEIVER AS A RESULT
14 OF THE RECEIVER'S ASSUMPTION OF AN EXECUTORY CONTRACT SHALL BE TREATED
15 AS AN EXPENSE OF THE RECEIVERSHIP.

16 (D) (1) A RECEIVER'S REJECTION OF AN EXECUTORY CONTRACT SHALL
17 BE:

18 (I) EFFECTIVE ON ENTRY OF AN ORDER OF REJECTION; AND

19 (II) TREATED AS A BREACH OF THE CONTRACT OCCURRING
20 IMMEDIATELY BEFORE THE ENTRY OF THE ORDER APPOINTING THE RECEIVER.

21 (2) THE RECEIVER'S RIGHT TO POSSESS OR USE RECEIVERSHIP
22 PROPERTY PURSUANT TO AN EXECUTORY CONTRACT SHALL TERMINATE ON
23 REJECTION OF THE CONTRACT.

24 (3) A CLAIM FOR DAMAGES FOR REJECTION OF AN EXECUTORY
25 CONTRACT SHALL BE SUBMITTED BEFORE THE LATER OF:

26 (I) THE TIME FOR SUBMITTING A CLAIM IN THE RECEIVERSHIP
27 CASE; OR

28 (II) 30 DAYS AFTER ENTRY OF THE ORDER APPROVING THE
29 REJECTION.

30 (E) A RECEIVER'S POWER TO ASSUME AN EXECUTORY CONTRACT THAT IS
31 ENTERED INTO ON OR AFTER OCTOBER 1, 2017, MAY NOT BE AFFECTED BY ANY

1 PROVISION IN THE CONTRACT THAT REQUIRES OR PERMITS A FORFEITURE,
2 MODIFICATION, OR TERMINATION OF THE CONTRACT ON THE BASIS OF:

3 (1) A RECEIVER'S APPOINTMENT;

4 (2) THE FINANCIAL CONDITION OF THE OWNER; OR

5 (3) AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS BY THE
6 OWNER.

7 (F) A RECEIVER MAY NOT ASSUME AN EXECUTORY CONTRACT OF THE
8 OWNER WITHOUT THE CONSENT OF THE COUNTERPARTY TO THE CONTRACT IF:

9 (1) NOTWITHSTANDING THE ABSENCE OF ANY PROVISION IN THE
10 CONTRACT EXPRESSLY RESTRICTING OR PROHIBITING AN ASSIGNMENT OF THE
11 OWNER'S RIGHTS OR THE PERFORMANCE OF THE OWNER'S DUTIES, APPLICABLE
12 LAW WOULD EXCUSE A PARTY, OTHER THAN THE OWNER, FROM ACCEPTING
13 PERFORMANCE FROM OR RENDERING PERFORMANCE TO ANYONE OTHER THAN THE
14 OWNER;

15 (2) THE CONTRACT IS A CONTRACT TO:

16 (I) MAKE A LOAN TO OR FOR THE BENEFIT OF THE OWNER;

17 (II) EXTEND CREDIT OR FINANCIAL ACCOMMODATION TO OR
18 FOR THE BENEFIT OF THE OWNER; OR

19 (III) ISSUE A SECURITY; OR

20 (3) THE CONTRACT EXPIRES BEFORE THE RECEIVER'S ASSUMPTION
21 OF THE CONTRACT BY ITS OWN TERMS OR UNDER APPLICABLE LAW.

22 (G) A RECEIVER MAY NOT ASSIGN AN EXECUTORY CONTRACT WITHOUT
23 ASSUMING THE CONTRACT, ABSENT THE CONSENT OF THE COUNTERPARTY TO THE
24 CONTRACT.

25 (H) (1) THIS SUBSECTION APPLIES TO A REJECTION BY THE RECEIVER OF
26 AN EXECUTORY CONTRACT FOR:

27 (I) THE SALE OF REAL PROPERTY UNDER WHICH THE OWNER
28 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 MAY FALL DUE, BUT MAY OFFSET AGAINST ANY PAYMENTS FOR ANY DAMAGES
OCCURRING AS A RESULT OF THE REJECTION AFTER IT 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

1 (IV) A PURCHASER OF REAL PROPERTY THAT ELECTS TO TREAT
2 REJECTION OF ANY EXECUTORY CONTRACT AS A TERMINATION HAS A LIEN AGAINST
3 THE OWNER'S INTEREST IN THE REAL PROPERTY FOR THE RECOVERY OF ANY
4 PORTION OF THE PURCHASE PRICE THAT THE PURCHASER HAS PAID.

5 (I) IF AT THE TIME A RECEIVER IS APPOINTED THE OWNER HAS THE RIGHT
6 TO ASSIGN AN EXECUTORY CONTRACT RELATING TO RECEIVERSHIP PROPERTY, THE
7 RECEIVER MAY ASSIGN THE CONTRACT WITH COURT APPROVAL IF THE RECEIVER:

8 (1) ASSUMES THE CONTRACT; AND

9 (2) PROMPTLY CURES ALL MONETARY DEFAULTS UNDER THE
10 CONTRACT.

11 (J) A RECEIVER MAY NOT REJECT AN UNEXPIRED LEASE OF REAL
12 PROPERTY UNDER WHICH THE OWNER IS THE LANDLORD IF:

13 (1) THE TENANT OCCUPIES THE LEASED PREMISES AS THE TENANT'S
14 PRIMARY RESIDENCE;

15 (2) THE RECEIVER WAS APPOINTED AT THE REQUEST OF A PERSON
16 OTHER THAN A MORTGAGEE; OR

17 (3) (I) THE RECEIVER WAS APPOINTED AT THE REQUEST OF A
18 MORTGAGEE; AND

19 (II) 1. THE LEASE IS SUPERIOR TO THE LIEN OF THE
20 MORTGAGE;

21 2. THE TENANT HAS AN ENFORCEABLE AGREEMENT
22 WITH THE MORTGAGEE OR THE HOLDER OF A SENIOR LIEN UNDER WHICH THE
23 TENANT'S OCCUPANCY WILL NOT BE DISTURBED AS LONG AS THE TENANT
24 PERFORMS ITS OBLIGATIONS UNDER THE LEASE;

25 3. THE MORTGAGEE HAS CONSENTED TO THE LEASE,
26 EITHER IN A SIGNED RECORD OR BY ITS FAILURE TO TIMELY OBJECT THAT THE
27 LEASE VIOLATED A PROVISION OF THE MORTGAGE; OR

28 4. A. THE TERMS OF THE LEASE WERE
29 COMMERCIALY REASONABLE AT THE TIME THE LEASE WAS AGREED TO BY THE
30 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.**

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, AN ADMINISTRATIVE, OR
ANY 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) A COURT MAY ORDER A STAY OF AN ACT AGAINST OR RELATING TO AN
OWNER IF THE STAY IS NECESSARY TO:**

(1) PROTECT THE RECEIVERSHIP PROPERTY OR BUSINESS; OR

(2) FACILITATE ADMINISTRATION OF THE RECEIVERSHIP.

**(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;**

1 **(3) COMMENCEMENT OR CONTINUATION OF A CRIMINAL**
2 **PROCEEDING;**

3 **(4) COMMENCEMENT OR CONTINUATION OF AN ACTION OR A**
4 **PROCEEDING BY A GOVERNMENTAL UNIT TO ENFORCE ITS POLICE OR REGULATORY**
5 **POWER;**

6 **(5) ENFORCEMENT OF A JUDGMENT OTHER THAN A MONEY**
7 **JUDGMENT IN AN ACTION OR A PROCEEDING BY A GOVERNMENTAL UNIT TO**
8 **ENFORCE ITS POLICE OR REGULATORY POWER;**

9 **(6) ESTABLISHMENT BY A GOVERNMENTAL UNIT OF A TAX LIABILITY**
10 **AGAINST THE OWNER OR RECEIVERSHIP PROPERTY, OR AN APPEAL OF THE**
11 **LIABILITY; OR**

12 **(7) THE EXERCISE OF THE RIGHT OF SETOFF OR RECOUPMENT.**

13 **(D) A PERSON WHOSE ACT IS STAYED UNDER THIS SECTION MAY APPLY TO**
14 **THE COURT FOR RELIEF FROM THE STAY FOR CAUSE SHOWN AFTER GIVING NOTICE**
15 **AND REQUESTING A HEARING.**

16 **(E) EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS SECTION,**
17 **THE STAY SHALL TERMINATE AS TO RECEIVERSHIP PROPERTY WHEN:**

18 **(1) THE PROPERTY IS NO LONGER RECEIVERSHIP PROPERTY; OR**

19 **(2) THE COURT ENTERS:**

20 **(I) AN ORDER APPROVING THE FINAL REPORT; OR**

21 **(II) AN ORDER DISMISSING THE CASE.**

22 **(F) THE COURT MAY VOID AN ACT THAT VIOLATES A STAY UNDER THIS**
23 **SECTION.**

24 **(G) IF A PERSON WILLFULLY VIOLATES A STAY UNDER THIS SECTION, THE**
25 **COURT MAY:**

26 **(1) AWARD THE RECEIVER ACTUAL DAMAGES CAUSED BY THE**
27 **VIOLATION, INCLUDING REASONABLE FEES AND COSTS; AND**

28 **(2) SANCTION THE VIOLATION AS CIVIL CONTEMPT.**

1 **24-402.**

2 **(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
3 **AND UNLESS OTHERWISE ORDERED BY A COURT, A PERSON THAT HAS POSSESSION,**
4 **CUSTODY, OR CONTROL OF RECEIVERSHIP PROPERTY SHALL TURN THE**
5 **RECEIVERSHIP PROPERTY OVER TO THE RECEIVER ON DEMAND OF THE RECEIVER.**

6 **(2) IF A CREDITOR HAS POSSESSION, CUSTODY, OR CONTROL OF**
7 **RECEIVERSHIP PROPERTY AND THE VALIDITY, PERFECTION, OR PRIORITY OF THE**
8 **CREDITOR'S LIEN ON THE RECEIVERSHIP PROPERTY DEPENDS ON THE CREDITOR'S**
9 **POSSESSION, CUSTODY, OR CONTROL, SUBJECT TO § 24-401(C)(2) OF THIS**
10 **SUBTITLE, THE CREDITOR MAY RETAIN POSSESSION, CUSTODY, OR CONTROL UNTIL**
11 **THE COURT ENTERS AN ORDER PROVIDING ADEQUATE PROTECTION OF THE**
12 **CREDITOR'S LIEN.**

13 **(B) A PERSON THAT HAS NOTICE OF THE APPOINTMENT OF A RECEIVER AND**
14 **OWES A DEBT THAT IS RECEIVERSHIP PROPERTY MAY NOT SATISFY THE DEBT BY**
15 **PAYMENT TO THE OWNER.**

16 **(C) IN THE ABSENCE OF A BONA FIDE DISPUTE WITH RESPECT TO THE**
17 **RECEIVER'S OR THE RESPONDENT'S RIGHT TO POSSESSION, CUSTODY, OR CONTROL**
18 **OF RECEIVERSHIP PROPERTY, THE COURT MAY SANCTION AS CIVIL CONTEMPT A**
19 **PERSON'S FAILURE TO TURN THE PROPERTY OVER WHEN REQUIRED BY THIS**
20 **SECTION.**

21 **24-403.**

22 **(A) EXCEPT AS PROVIDED BY COURT ORDER, AN OWNER SHALL:**

23 **(1) ASSIST AND COOPERATE WITH THE RECEIVER IN ADMINISTERING**
24 **THE RECEIVERSHIP AND DISCHARGING THE RECEIVER'S DUTIES;**

25 **(2) PRESERVE AND TURN OVER TO THE RECEIVER ALL**
26 **RECEIVERSHIP PROPERTY IN THE OWNER'S POSSESSION, CUSTODY, OR CONTROL,**
27 **INCLUDING ALL DEPOSITORY AND INVESTMENT ACCOUNTS;**

28 **(3) IDENTIFY AND TURN OVER ALL RECORDS AND OTHER**
29 **INFORMATION RELATING TO RECEIVERSHIP PROPERTY, INCLUDING ALL**
30 **PASSWORDS, KEYS, ALARM CODES, AUTHORIZATIONS, OR OTHER INFORMATION**
31 **NEEDED TO OBTAIN OR MAINTAIN ACCESS TO OR CONTROL OF RECEIVERSHIP**
32 **PROPERTY;**

1 **(4) MAKE AVAILABLE AND TURN OVER TO THE RECEIVER THE**
2 **RECORDS AND INFORMATION IN THE OWNER'S POSSESSION, CUSTODY, OR CONTROL,**
3 **INCLUDING ALL FINANCIAL RECORDS, ACCOUNTING RECORDS, BANK STATEMENTS,**
4 **LEASES, AND CONTRACTS;**

5 **(5) AFTER BEING ISSUED A SUBPOENA, SUBMIT TO EXAMINATION BY**
6 **THE RECEIVER THAT IS UNDER OATH REGARDING THE ACTS, CONDUCT, PROPERTY,**
7 **LIABILITIES, AND FINANCIAL CONDITION OF THE OWNER OR ANY MATTER RELATING**
8 **TO RECEIVERSHIP PROPERTY OR THE RECEIVERSHIP;**

9 **(6) REFRAIN FROM ENTERING THE RECEIVERSHIP PROPERTY AT ANY**
10 **TIME WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE RECEIVER;**

11 **(7) REFRAIN FROM INTERFERING WITH, OBSTRUCTING, OR**
12 **PREVENTING IN ANY WAY, THE RECEIVER'S ACTIONS REGARDING THE**
13 **RECEIVERSHIP PROPERTY; AND**

14 **(8) PERFORM ANY DUTY IMPOSED BY COURT ORDER, THIS TITLE, OR**
15 **A LAW OF THE STATE OTHER THAN THIS TITLE.**

16 **(B) IF AN OWNER IS A PERSON OTHER THAN AN INDIVIDUAL, THIS SECTION**
17 **APPLIES TO:**

18 **(1) ANY PERSON ACTING IN CONCERT WITH THE OWNER AND ITS**
19 **AGENTS; AND**

20 **(2) EACH OFFICER, DIRECTOR, MANAGER, MEMBER, PARTNER,**
21 **TRUSTEE, AFFILIATE, SUBSIDIARY, OR OTHER PERSON EXERCISING OR HAVING THE**
22 **POWER TO EXERCISE CONTROL OVER THE AFFAIRS OF THE OWNER.**

23 **(C) IF A PERSON KNOWINGLY FAILS TO PERFORM A DUTY IMPOSED BY THIS**
24 **SECTION, THE COURT MAY:**

25 **(1) AWARD THE RECEIVER:**

26 **(I) ACTUAL DAMAGES CAUSED BY THE PERSON'S FAILURE;**

27 **(II) REASONABLE ATTORNEY'S FEES; AND**

28 **(III) COSTS; OR**

29 **(2) SANCTION THE FAILURE AS CIVIL CONTEMPT.**

1 **24-404.**

2 **EXCEPT AS OTHERWISE PROVIDED BY A LAW OF THE STATE OTHER THAN THIS**
3 **TITLE, PROPERTY THAT A RECEIVER OR AN OWNER ACQUIRES AFTER APPOINTMENT**
4 **OF THE RECEIVER IS SUBJECT TO A SECURITY AGREEMENT ENTERED INTO BEFORE**
5 **THE APPOINTMENT TO THE SAME EXTENT AS IF THE COURT HAD NOT APPOINTED**
6 **THE RECEIVER.**

7 **24-405.**

8 **A REQUEST BY A MORTGAGEE FOR THE APPOINTMENT OF A RECEIVER, THE**
9 **APPOINTMENT OF A RECEIVER, OR THE APPLICATION BY A MORTGAGEE OF**
10 **RECEIVERSHIP PROPERTY OR PROCEEDS TO THE SECURED OBLIGATION DOES NOT:**

11 **(1) MAKE THE MORTGAGEE A MORTGAGEE IN POSSESSION OF THE**
12 **REAL PROPERTY;**

13 **(2) MAKE THE MORTGAGEE AN AGENT OF THE OWNER;**

14 **(3) CONSTITUTE AN ELECTION OF REMEDIES THAT PRECLUDES A**
15 **LATER ACTION TO ENFORCE THE SECURED OBLIGATION;**

16 **(4) MAKE THE SECURED OBLIGATION UNENFORCEABLE; OR**

17 **(5) LIMIT ANY RIGHT AVAILABLE TO THE MORTGAGEE WITH RESPECT**
18 **TO THE SECURED OBLIGATION.**

19 **24-406.**

20 **(A) AN ASSIGNEE FOR THE BENEFIT OF CREDITORS SHALL BE TREATED AS**
21 **A RECEIVER APPOINTED UNDER § 24-201(A)(3) OF THIS TITLE.**

22 **(B) THE PROPERTY ASSIGNED SHALL BE TREATED AS RECEIVERSHIP**
23 **PROPERTY.**

24 **(C) EXCEPT FOR § 24-201 OF THIS TITLE, THIS TITLE SHALL GOVERN ALL**
25 **PROCEEDINGS FOLLOWING THE FILING OF THE ASSIGNMENT.**

26 **SUBTITLE 5. AUTHORITY OF THE COURT.**

27 **24-501.**

1 **(A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS**
2 **SECTION, THE COURT MAY ISSUE AN ORDER UNDER THIS TITLE ONLY AFTER NOTICE**
3 **AND AN OPPORTUNITY FOR A HEARING.**

4 **(B) THE COURT MAY ISSUE AN ORDER UNDER THIS TITLE:**

5 **(1) IF THE CIRCUMSTANCES REQUIRE ISSUANCE OF AN ORDER**
6 **BEFORE NOTICE IS GIVEN, WITHOUT PRIOR NOTICE;**

7 **(2) IF THE CIRCUMSTANCES REQUIRE ISSUANCE OF AN ORDER**
8 **BEFORE A HEARING IS HELD, AFTER NOTICE AND WITHOUT A PRIOR HEARING; OR**

9 **(3) IF NO INTERESTED PARTY TIMELY REQUESTS A HEARING, AFTER**
10 **NOTICE AND WITHOUT A HEARING.**

11 **(C) THE RECEIVER SHALL FILE PERIODICALLY WITH THE COURT A MASTER**
12 **SERVICE LIST CONSISTING OF THE NAMES, MAILING ADDRESSES, AND, WHERE**
13 **AVAILABLE, FACSIMILE NUMBERS AND E-MAIL ADDRESSES OF:**

14 **(1) THE RESPONDENT;**

15 **(2) THE RECEIVER;**

16 **(3) ALL PERSONS JOINED AS PARTIES IN THE RECEIVERSHIP;**

17 **(4) ALL PERSONS KNOWN BY THE RECEIVER TO HAVE ASSERTED ANY**
18 **OWNERSHIP OR LIEN IN RECEIVERSHIP PROPERTY;**

19 **(5) ALL PERSONS THAT HAVE FILED A NOTICE OF APPEARANCE IN**
20 **ACCORDANCE WITH THIS SECTION; AND**

21 **(6) ANY ATTORNEY OF RECORD.**

22 **(D) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AND UNLESS THE**
23 **COURT ORDERS OTHERWISE, A MOTION SHALL BE SERVED IN ACCORDANCE WITH**
24 **THE MARYLAND RULES ON:**

25 **(1) ALL PERSONS ON THE MASTER SERVICE LIST;**

26 **(2) ALL PERSONS THAT HAVE ASSERTED AN OWNERSHIP INTEREST**
27 **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) FOLLOWING RECEIPT OF A WRITTEN CERTIFICATION FROM THE COURT,
THE COURT OF SPECIAL APPEALS SHALL DETERMINE WHETHER TO GRANT OR DENY
THE APPLICATION FOR LEAVE TO APPEAL.

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 SHALL INCLUDE:

(1) THE ACTIVITIES OF THE RECEIVER SINCE APPOINTMENT OR A
PREVIOUS INTERIM REPORT;

1 **(2) RECEIPTS AND DISBURSEMENTS, INCLUDING ANY PAYMENT**
2 **MADE OR PROPOSED TO BE MADE TO A PROFESSIONAL ENGAGED BY THE RECEIVER;**

3 **(3) RECEIPTS AND DISPOSITIONS OF RECEIVERSHIP PROPERTY;**

4 **(4) FEES AND EXPENSES OF THE RECEIVER AND, IF NOT FILED**
5 **SEPARATELY, A REQUEST FOR APPROVAL OF PAYMENT OF THE FEES AND EXPENSES;**
6 **AND**

7 **(5) ANY OTHER INFORMATION REQUIRED BY THE COURT.**

8 **24-602.**

9 **(A) ON COMPLETION OF A RECEIVER'S DUTIES, THE RECEIVER SHALL FILE**
10 **A FINAL REPORT THAT INCLUDES:**

11 **(1) A DESCRIPTION OF THE ACTIVITIES OF THE RECEIVER DURING**
12 **THE COURSE OF THE RECEIVERSHIP;**

13 **(2) A LIST OF RECEIVERSHIP PROPERTY AT THE COMMENCEMENT OF**
14 **THE RECEIVERSHIP AND ANY RECEIVERSHIP PROPERTY RECEIVED DURING THE**
15 **RECEIVERSHIP;**

16 **(3) A LIST OF DISBURSEMENTS, INCLUDING PAYMENTS TO**
17 **PROFESSIONALS ENGAGED BY THE RECEIVER;**

18 **(4) A LIST OF DISPOSITIONS OF RECEIVERSHIP PROPERTY;**

19 **(5) A LIST OF DISTRIBUTIONS MADE OR PROPOSED TO BE MADE FROM**
20 **THE RECEIVERSHIP PROPERTY FOR CREDITOR CLAIMS;**

21 **(6) IF NOT FILED SEPARATELY, A REQUEST FOR APPROVAL OF THE**
22 **PAYMENT OF FEES AND EXPENSES OF THE RECEIVER; AND**

23 **(7) ANY OTHER INFORMATION REQUIRED BY THE COURT.**

24 **(B) THE RECEIVER IS DISCHARGED IF:**

25 **(1) A COURT APPROVES A FINAL REPORT FILED UNDER SUBSECTION**
26 **(A) OF THIS SECTION; AND**

27 **(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.

1 **(C) A RECEIVER REPLACED UNDER SUBSECTION (B) OF THIS SECTION IS**
2 **DISCHARGED IF A COURT FINDS THAT A RECEIVER THAT RESIGNS OR IS REMOVED,**
3 **OR THE REPRESENTATIVE OF A DECEASED RECEIVER, HAS:**

4 **(1) ACCOUNTED FULLY FOR AND TURNED OVER TO THE SUCCESSOR**
5 **RECEIVER ALL RECEIVERSHIP PROPERTY; AND**

6 **(2) FILED A REPORT OF ALL RECEIPTS AND DISBURSEMENTS DURING**
7 **THE SERVICE OF THE REPLACED RECEIVER.**

8 **(D) ON THE TRANSFER OF TITLE TO ANY RECEIVERSHIP PROPERTY, THE**
9 **RECEIVERSHIP SHALL TERMINATE AUTOMATICALLY AS TO RECEIVERSHIP**
10 **PROPERTY THAT IS SUBJECT TO THE REQUIREMENTS OF § 24–602 OF THIS TITLE.**

11 **(E) A COURT MAY DISCHARGE A RECEIVER AND TERMINATE THE COURT’S**
12 **ADMINISTRATION OF THE RECEIVERSHIP PROPERTY IF THE COURT FINDS THAT:**

13 **(1) APPOINTMENT OF THE RECEIVER WAS IMPROVIDENT; OR**

14 **(2) THE CIRCUMSTANCES NO LONGER WARRANT CONTINUATION OF**
15 **THE RECEIVERSHIP.**

16 **SUBTITLE 8. SHORT TITLE.**

17 **24–801.**

18 **THIS TITLE MAY BE CITED AS THE MARYLAND COMMERCIAL RECEIVERSHIP**
19 **ACT.**

20 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
21 **October 1, 2017.**