

IN THE COURT OF APPEALS OF MARYLAND
ADMINISTRATIVE ORDER DISBURSING FUNDS FROM THE ATTORNEY
GRIEVANCE DISCIPLINARY FUND AND ESTABLISHING
ADDITIONAL FUND OPERATING PROCEDURES

WHEREAS, On October 1, 2011, the Court of Appeals amended Maryland Rule 16-714, to clarify that the principal and income of the Attorney Grievance Disciplinary Fund (“Disciplinary Fund”) shall be dedicated exclusively to the purposes established by Title 16 of the Maryland Rules; and

WHEREAS, By Administrative Order, dated December 16, 2011, the Court authorized the disbursement of funds from the surplus in the Disciplinary Fund to the Client Protection Fund of the Bar of Maryland (“Client Protection Fund”) to reimburse losses caused by the defalcations of lawyers, which greatly exceeded the funds available to pay those claims, and to the Professionalism Commission to fund the Judiciary’s New Bar Admittees’ Professionalism and Mentoring Programs; and

WHEREAS, On January 8, 2013, the Court, by Order, authorized the disbursement of additional funds from the Disciplinary Fund to the new court-related agency, the Maryland Professionalism Center, generated by the Fall FY 2013 New Bar Admittees’ Professionalism Course, to which the Center otherwise would have been entitled, had it been fully established; and

WHEREAS, The FY 2013 year-end balance for the Disciplinary Fund was \$5,657,446, which remains in the Fund; and

WHEREAS, The Client Protection Fund continues to receive claims submitted to reimburse losses caused by the defalcations of lawyers, which significantly exceed the funds available to pay those claims; and

WHEREAS, The Maryland State Bar Association has submitted a request to the Court for resources to support the David N. Bates and Richard B. Vincent Foundation (“Bates/Vincent Foundation”), a non-profit entity dedicated to helping Maryland lawyers and judges, in need of financial assistance, obtain treatment for dependency on alcohol and/or drugs, gambling addiction, and for debilitating mental health disorders; and

WHEREAS, The Court finds, consistent with Title 16 of the Maryland Rues, that \$2,495,109 from the FY 2013 year-end balance in the Disciplinary Fund should be disbursed to the Client Protection Fund, and to the Maryland State Bar Association to support the work of the Bates/Vincent Foundation on behalf of Maryland lawyers and judges; and

WHEREAS, The Court has determined that it is appropriate to establish additional operating procedures for the Disciplinary Fund.

NOW THEREFORE, I, Mary Ellen Barbera, Chief Judge of the Court Appeals and administrative head of the Judicial Branch, pursuant to the authority conferred by Article IV, § 18 of the Maryland Constitution, and as part of the Court’s inherent power to regulate the practice of law, do hereby order this 13th day of March 2014, that:

1. The Attorney Grievance Commission (“Commission”) shall maintain an annual carryover balance in the Disciplinary Fund consisting of an operational float and an emergency reserve totaling 75% of its prior fiscal year expenditures.

2. Within 30 days after accounting for the operational float and emergency reserve requirements, the Commission shall transfer annually any available end of fiscal year balance in the Disciplinary Fund, as documented by an independent audit, to the Client Protection Fund.

3. The Commission shall transfer immediately a total of \$2,495,109 from FY 2013 year-end Disciplinary Fund balance to be disbursed as follows:

- a. \$1,995,109 to the Client Protection Fund; and
- b. \$500,000 to the Maryland State Bar Association to support the Bates/Vincent Foundation.

4. The Commission shall amend its Administrative and Procedural Guidelines to conform with these new operating procedures, and shall submit them to the Court for approval.

/s/ Mary Ellen Barbera
Mary Ellen Barbera
Chief Judge of the Court of Appeals

Filed: March 14, 2014

/s/ Bessie M. Decker
Bessie M. Decker
Clerk
Court of Appeals of Maryland