

and to be under the new subtitle "Clients' Security Trust Fund of the Bar of Maryland," authorizing the Court of Appeals by rule and regulation to provide for the creation and operation of a "Clients' Security Trust Fund of the Bar of Maryland;" to provide generally for the Trustees, purposes, collection and administration of said Fund; and to authorize the imposition of penalties for violation of this Act or of the rules and regulations promulgated thereunder.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new Section 43 be and it is hereby added to Article 10 of the Annotated Code of Maryland (1957 Edition), title "Attorneys at Law and Attorneys in Fact," to follow immediately after Section 42 thereof, and to be under the new subtitle "Clients' Security Trust Fund of the Bar of Maryland," and to read as follows:

*Clients' Security Trust Fund of the Bar of Maryland*

43.

(a) *The Court of Appeals by rules and regulations may provide for the creation and operation of a "Clients' Security Trust Fund of the Bar of Maryland," and for the appointment of Trustees to administer the Fund.*

(b) *The general purposes and authority of the Fund and of its Trustees shall be to*

(1) *Receive, hold, manage, and distribute the funds raised hereunder and any other monies that may be received through voluntary contributions or otherwise, for the purposes of maintaining the integrity and protecting the good name of the legal profession by reimbursing, to the extent deemed proper and reasonable by the Trustees, losses caused by defalcations of members of the Bar of the State of Maryland, acting either as attorneys or as fiduciaries (except to the extent to which they are bonded);*

(2) *Enforce claims for restitution, arising by subrogation or assignment or otherwise.*

(c) *The Court of Appeals, by its rules and regulations, may require that as a condition precedent to the practice of law as defined in this Article each lawyer now or hereafter admitted to practice before the Court of Appeals shall pay annually to the treasurer of the Fund an amount not in excess of Twenty Dollars (\$20.00).*

(d) *The Court of Appeals in its rules and regulations may specify the penalties including suspension and disbarment, for practicing law as defined in this Article without having made such annual payment.*

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1965.

**THAT THE INTENT OF THE GENERAL ASSEMBLY IN THE ENACTMENT OF SECTION 1 OF THE ACT IS THAT IF ANY FUND NOW IN EFFECT UNDER THE RULES AND REGULATIONS OF ANY LOCAL BAR ASSOCIATION BE MERGED INTO AND PAID OVER TO THE FUND BY THE ACT AUTHORIZED,**