

pendation for his services the fees that are customarily allowed in this State to trustees, unless the donor directs otherwise when the gift is made.

(d) *Bond.*—*Except as otherwise provided in this subtitle, a custodian shall not be required to give a bond ~~or~~ FOR the performance of his duties.*

(e) *Liability for losses.*—*A custodian not compensated for his services is not liable for losses to the custodial property unless they result from his bad faith, intentional wrongdoing or gross negligence or from his failure to maintain the standard of prudence in investing the custodial property provided in this subtitle.*

306. *Exemption of third persons from liability.*

No issuer, transfer agent, bank, life insurance company, broker or other person or financial institution acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the capacity of a custodian is responsible for determining whether the person designated as custodian by the purported donor or by the custodian or purporting to act as custodian has been duly designated or whether any purchase, sale or transfer to or by or any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this subtitle, or is obliged to inquire into the validity or propriety under this subtitle of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, or is bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him.

307. *Resignation, death or incapacity of custodian; successor custodian; bond.*

(a) *Eligibility to become successor custodian; manner of designating successor custodian; powers, etc., of successor custodian.*—*Any adult or trust company eligible to become a custodian shall also be eligible to become successor custodian. A custodian may designate his successor by executing and dating an instrument of designation before a subscribing witness other than the successor; the instrument of designation may but need not contain the resignation of the custodian. A successor custodian has all the rights, powers, duties and immunities of a custodian designated in a manner prescribed by this subtitle.*

(b) *When designation takes effect.*—*The designation of a successor custodian as provided in subsection (a) takes effect as to each item of the custodial property when the custodian resigns, dies or becomes legally incapacitated and the custodian or his legal representative:*

(1) *Causes the item, if it is a security in registered form, a life insurance policy or annuity contract, or an interest in real property, to be registered in the name of or conveyed to the successor custodian followed, in substance, by the words: "as custodian for..... (name of minor) under the Maryland Uniform Gifts to Minors Act"; and*

(2) *Delivers or causes to be delivered to the successor custodian any other item of the custodial property, together with the instru-*