

## Article - Business Regulation

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§4.5–707.

(a) The procedures for notice, hearings, and judicial review that apply to proceedings under Title 3, Subtitle 2 of the Courts and Judicial Proceedings Article also apply to proceedings to recover from the Guaranty Fund.

(b) On receipt of a claim, the Division shall:

(1) send a copy of the claim to the registrant alleged to be responsible for the actual loss; and

(2) require a written response to the claim within 30 days.

(c) (1) The Division:

(i) shall review the claim and any response to it; and

(ii) may refer the claim for investigation.

(2) On the basis of its review and any investigation, the Division may:

(i) set the matter for a hearing with the Office of Administrative Hearings;

(ii) dismiss the claim, if the claim is frivolous, legally insufficient, or made in bad faith; or

(iii) if the total claim against a particular registrant does not exceed \$5,000, issue a proposed order to pay all or part of the claim or deny the claim.

(d) (1) The Division shall send a proposed order issued under subsection (c)(2)(iii) of this section to the claimant and the registrant, at the most recent address on record with the Division, by:

(i) personal delivery; or

(ii) both regular mail and certified mail, return receipt requested.

(2) Within 21 days after service, receipt, or attempted delivery of the proposed order, the claimant or registrant may submit to the Division:

(i) a written request for a hearing before the Division; or

(ii) a written exception to the proposed order.

(3) If the claimant or registrant submits a timely exception to the proposed

order, the Division may:

- (i) issue a revised proposed order;
- (ii) set a hearing on the claim; or
- (iii) dismiss the claim.

(4) Unless the claimant or registrant submits a timely request for a hearing or timely exception, the proposed order is final.

(e) At a hearing on a claim, the claimant has the burden of proof.

(f) A claimant and registrant may participate in a Guaranty Fund proceeding without representation by counsel.

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