

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA

ORDER REGARDING DEPOSIT AND)
INVESTMENT OF REGISTRY FUNDS) GENERAL ORDER 16-0004

ORDER

By previous General Order 11-0002, this Court implemented use of the Court Registry Investment System ("CRIS") for the deposit and investment of registry funds. This order updates some of the terms and conditions resulting from use of CRIS, and replaces General Order 11-0002. Effective immediately the following shall govern the receipt, deposit, and investment of registry funds:

I. Receipt of Funds

- A. No money shall be sent to the Court or its officers for deposit in the Court's registry absent compliance with Local Rule B-7067-1 and without a court order signed by the presiding judge in the case or proceeding. The party making the deposit or transferring the funds shall ensure service of the order on the Clerk.
- B. Unless provided for elsewhere in this Order, all monies ordered to be paid to the Court or received by its officers in any case pending or adjudicated shall be deposited with the Treasurer of the United States in the name and to the credit of this Court pursuant to 28 U.S.C. §2041 through depositories designated by the Treasury to accept such deposit on its behalf.

II. Investment of Registry Funds

- A. Where, by order of the Court, funds on deposit are to be placed in some form of interest-bearing account or invested in a court-approved interest-bearing instrument in accordance with Rule 67 of the Federal Rules of Civil Procedure, CRIS, administered by the Administrative Office of United States Courts ("AOUSC") under 28 U.S.C. §2045, shall be the only investment mechanism authorized.
- B. Interpleader funds deposited under 28 U.S.C. §1335 meet the Internal Revenue Service definition of a "Disputed Ownership Fund" (DOF), a taxable entity that requires tax administration. Unless otherwise ordered by the Court, interpleader funds shall be deposited in the DOF established within CRIS and administered by AOUSC, which shall be responsible for meeting all DOF tax administration requirements.

- C. The Director of AOUSC is designated as custodian for all CRIS funds. The Director or the Director's designee shall perform the duties of custodian. Funds held in the CRIS remain subject to the control and jurisdiction of the Court.
- D. Money from each case deposited in CRIS shall be "pooled" together with funds on deposit with Treasury to the credit of other courts in CRIS and used to purchase Government Account Series securities through the Bureau of Public Debt, which will be held at Treasury, in an account in the name of and to the credit of the Director of AOUSC. The pooled funds will be invested in accordance with the principles of the CRIS Investment Policy as approved by the Registry Monitoring Group.
- E. An account for each case will be established in the CRIS Liquidity Fund titled in the name of the case giving rise to the investment in the fund. Income generated from fund investments will be distributed to each case based on the ratio each account's principal and earnings has to the aggregate principal and income total in the fund after the CRIS fee has been applied. Reports showing the interest earned and the principal amounts contributed in each case will be prepared and distributed to each court participating in CRIS and made available to litigants and/or their counsel.
- F. For each interpleader case, an account shall be established in the CRIS Disputed Ownership Fund, titled in the name of the case giving rise to the deposit invested in the fund. Income generated from fund investments will be distributed to each case after the DOF fee has been applied and tax withholdings have been deducted from the fund. Reports showing the interest earned and the principal amounts contributed in each case will be available through the FedInvest/CMS application for each court participating in CRIS and made available to litigants and/or their counsel upon request. On appointment of an administrator authorized to incur expenses on behalf of the DOF in a case, the case DOF funds shall be transferred to another investments account as directed by court order.

III. Fees

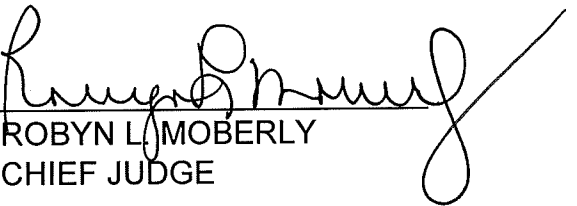
- A. The custodian is authorized and directed by this Order to deduct the CRIS fee of an annualized 10 basis points on assets on deposit for all CRIS funds, excluding the case funds held in the DOF, for the management of investments in CRIS. According to the Court's Miscellaneous Fee Schedule, the CRIS fee is assessed from interest earnings to the pool before a pro rata distribution of earnings is made to court cases.
- B. The custodian is authorized and directed to deduct the DOF fee of an annualized 20 basis points on assets on deposit in the DOF for management of investments and tax administration. According to the

Court's Miscellaneous Fee Schedule, the DOF fee is assessed from interest earnings to the pool before a pro rata distribution of earnings is made to court cases. The custodian is further authorized and directed by this Order to withhold and pay federal taxes on behalf of the DOF.

IV. Transition from Former Investment Procedure

- A. Deposits to the CRIS DOF will not be transferred from any existing CRIS funds. Only new deposits pursuant to 28 U.S.C. §1335 from the effective date of this order will be placed in the CRIS DOF.
- B. This order is generally effective on the date of entry, but DOF provisions will become effective the date the CRIS DOF begins to accept deposits.
- C. This order supersedes and abrogates all prior orders of this Court regarding the deposit and investment of registry funds.

Date: Oct 13, 2014


ROBYN L. MOBERLY
CHIEF JUDGE