

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
9

10 **In Re:**

11 DEPOSIT AND INVESTMENT OF
12 REGISTRY FUNDS

AMENDED GENERAL ORDER
REGARDING DEPOSIT AND
INVESTMENT OF REGISTRY
FUNDS NO. 04-14

13
14
15
16 The Court, having determined that it is necessary to adopt local procedures to ensure
17 uniformity in the deposit, investment and tax administration of funds in the Court's registry,

18
19 **IT IS ORDERED** that the following shall govern the receipt, deposit and investment of
20 registry funds:

21
22 **I. Receipt of Funds**

- 23 A. No money shall be sent to the Court or its officers for deposit in the Court's registry
24 without a court order signed by the presiding judge in the case or proceeding.

1 B. The party making the deposit or transferring funds to the Court's registry shall serve
2 the order permitting the deposit or transfer on the Clerk of Court.

3 C. Unless provided for elsewhere in this Order, all monies ordered to be paid to the
4 Court or received by its officers in any case pending or adjudicated shall be deposited
5 with the Treasurer of the United States in the name and to the credit of this Court
6 pursuant to 28 U.S.C. § 2041 through depositories designated by the Treasury to
7 accept such deposit on its behalf.
8

9 **II. Investment of Registry Funds**
10

11 A. Registry funds will be deposited by the Clerk of Court into an interest bearing
12 account with the United States Treasury utilizing the Court Registry Investment
13 System (CRIS), administered through the Administrative Office of the United States
14 Courts under 28 U.S.C. § 2045. The Court Registry Investment System shall be the
15 only investment mechanism authorized.

16 B. Interpleader funds deposited under 28 U.S.C. § 1335 meet the IRS definition of a
17 "Disputed Ownership Fund" (DOF), a taxable entity that requires tax administration.
18 Unless otherwise ordered by the court, interpleader funds shall be deposited in the
19 DOF established within the CRIS and administered by the Administrative Office of
20 the United States Courts, which shall be responsible for meeting all DOF tax
21 administration requirements.

22 C. The Director of the Administrative Office of the United States Courts is designated as
23 custodian for all CRIS funds. The Director or the Director's designee shall perform
24

1 the duties of custodian. Funds held in the CRIS remain subject to the control and
2 jurisdiction of the Court.

3 D. Money from each case deposited in the CRIS shall be “pooled” together with those on
4 deposit with Treasury to the credit of other courts in the CRIS and used to purchase
5 Government Account Series securities through the Bureau of Public Debt, which will
6 be held at Treasury, in an account in the name and to the credit of the Director of
7 Administrative Office of the United States Courts. The pooled funds will be invested
8 in accordance with the principals of the CRIS Investment Policy as approved by the
9 Registry Monitoring Group.

10 E. An account will be established in the CRIS Liquidity Fund titled in the name of the
11 case giving rise to the investment in the fund. Income generated from fund
12 investments will be distributed to each case based on the ratio each account’s
13 principal and earnings has to the aggregate principal and income total in the fund after
14 the CRIS fee has been applied.

15 F. For each interpleader case, an account shall be established in the CRIS Disputed
16 Ownership Fund, titled in the name of the case giving rise to the deposit invested in
17 the fund. Income generated from fund investments will be distributed to each case
18 after the DOF fee has been applied and tax withholdings have been deducted from the
19 fund. On appointment of an administrator authorized to incur expenses on behalf of
20 the DOF in a case, the case DOF funds should be transferred to another investment
21 account as directed by court order.

1 G. Post-adjudication deposits held on behalf of minors until their age of majority will be
2 deposited in the Minors' Fund. Estimated withdrawal dates are required for the funds
3 to be deposited into the Minors' Fund.
4

5 **III. Deductions of Fees and Taxes**
6

7 A. The custodian is authorized and directed by this Order to deduct the CRIS fee of an
8 annualized 10 basis points on assets on deposit for all CRIS funds, excluding the case
9 funds held in the DOF, for the management of investments in the CRIS. According
10 to the Court's Miscellaneous Fee Schedule, the CRIS fee is assessed from interest
11 earnings to the pool before a pro rata distribution of earnings is made to court cases.
12

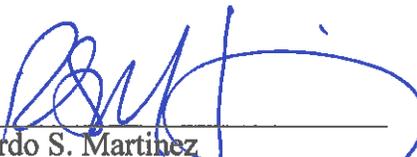
13 B. The custodian is authorized and directed by this Order to deduct the DOF fee of an
14 annualized 20 basis points on assets on deposit in the DOF for management of
15 investments and tax administration. According to the Court's Miscellaneous Fee
16 Schedule, the DOF fee is assessed from interest earnings to the pool before a pro rata
17 distribution of earnings is made to court cases. The custodian is further authorized
18 and directed by this Order to withhold and pay federal taxes due on behalf of the
19 DOF.
20

21 This Order supersedes and abrogates all prior orders of this Court regarding the deposit
22 and investment of registry funds and is in accordance with Local Civil Rule 67(a).

23 Deposits to the CRIS DOF will not be transferred from any existing CRIS Funds. Only
24

1 new deposits pursuant to 28 U.S.C. § 1335 will be placed in the CRIS DOF. The effective
2 date of this order is the date the CRIS DOF begins accepting deposits.
3
4

5 Dated this 21 day of November, 2016.
6

7
8 
9 Ricardo S. Martinez
Chief United States District Judge
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24