

Jul 21, 2020

SEAN F. MCAVOY, CLERK

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4 UNITED STATES DISTRICT COURT  
5 EASTERN DISTRICT OF WASHINGTON

6 In Re

GENERAL ORDER NO. 20-112-1

7 ADEQUATE  
8 COLLATERALIZATION OF  
9 REGISTRY FUNDS

RE: DEPOSITS AND PROCEDURES  
GOVERNING MONIES PAID INTO  
THE COURT

10 Updated guidance from the Administrative Office of the United States  
11 Courts necessitates significant changes to the procedures established through  
12 General Order No. 16-112-1 of this Court, as entered on November 28, 2016.

13 **THEREFORE, IT IS HEREBY ORDERED** that General Order No. 16-  
14 112-1 is vacated and of no further force and effect.

15 **IT IS FURTHER ORDERED** that the following shall govern receipt,  
16 deposit, and investment of registry funds:

17 **I. Receipt of Funds**

18 **A.** No money shall be sent to the Court or its officers for deposits in the  
19 Court's registry without a court order signed by the presiding judge in the  
20 case or proceeding.

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

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

10       **D.** Court ordered deposits of registry funds less than \$5,000, and pre-trial  
11           restitution funds to be held temporarily in suspense by the Court for later  
12           refund, transfer or disbursal, including restitution for the benefit of  
13           aggrieved parties, regardless of amount, will be deposited by the Clerk of  
14           Court directly into the United States Treasury and shall earn no interest  
15           while on deposit with the Court.

16       **E.** Court ordered deposits of registry funds of \$5,000 or greater will be  
17           deposited by the Clerk of Court into an interest-bearing account with the  
18           United States Treasury utilizing the Court Registry Investment System  
19           (CRIS).

1       **II. Investment of Registry Funds**

2           **A.** Where, by order of the Court, funds on deposit with the Court are to be  
3           placed in some form of interest-bearing account or invested in a court  
4           approved, interest bearing instrument, the CRIS, administered by the  
5           Administrative Office of the United States Courts under 28 U.S.C. §  
6           2045, shall be the only investment mechanism authorized.

7           **B.** Interpleader funds deposited under 28 U.S.C. § 1335 meet the IRS  
8           definition of a “Disputed Ownership Fund” (DOF), a taxable entity that  
9           requires tax administration. Unless otherwise ordered by the court,  
10          interpleader funds shall be deposited in the DOF established within the  
11          CRIS and administered by the Administrative Office of the United States  
12          Courts, which shall be responsible for meeting all DOF tax  
13          administration requirements.

14          **C.** The Director of Administrative Office of the United States Courts is  
15          designated as custodian for all CRIS funds. The Director or the  
16          Director’s designee shall perform the duties of custodian. Funds held in  
17          the CRIS remain subject to the control and jurisdiction of the Court.

18          **D.** Money from each case deposited in the CRIS shall be “pooled” together  
19          with those on deposit with Treasury to the credit of other courts in the  
20          CRIS and used to purchase Government Account Series securities

1 through the Bureau of Public Debt, which will be held at Treasury, in an  
2 account in the name and to the credit of the Director of Administrative  
3 Office of the United States Courts. The pooled funds will be invested in  
4 accordance with the principals of the CRIS Investment Policy as  
5 approved by the Registry Monitoring Group.

6 **E.** An account will be established in the CRIS Liquidity Fund titled in the  
7 name of the case giving rise to the deposit invested in the fund. Income  
8 generated from fund investments will be distributed to each case based  
9 on the ratio each account's principal and earnings has to the aggregated  
10 principal and income total in the fund after the CRIS fee has been  
11 applied. Reports showing the interest earned and principal amounts  
12 contributed in each case will be prepared and distributed to each court  
13 participating in the CRIS and made available to litigants and/or their  
14 counsel.

15 **F.** For each interpleader case, an account shall be established in the CRIS  
16 DOF, 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  
18 each case after the DOF fee has been applied and tax withholdings have  
19 been deducted from the fund. Reports showing the interest earned and  
20 the principal amounts contributed in each case will be available through

1 the FedInvest/CMS application for each court participating in the CRIS  
2 and made available to litigants and/or their counsel. On appointment of  
3 an administrator authorized to incur expenses on behalf of the DOF in a  
4 case, the case DOF funds should be transferred to another investment  
5 account as directed by court order.

6 **III. Fees and Taxes**

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

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

3 The District Court Executive is directed to post a copy of this General Order  
4 to the Court's public website so that it is available to all parties and the attorneys  
5 who are admitted to practice before this Court.

6 This General Order was approved by the District Judges and becomes  
7 effective this day.

8 DATED July 21, 2020.



*Thomas O. Rice*

12 THOMAS O. RICE  
13 Chief United States District Judge  
14 Eastern District of Washington  
15 on behalf of the Court  
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