

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO**

In re :
 : GENERAL ORDER 22-01
DEPOSIT AND INVESTMENT OF :
REGISTRY FUNDS :

ORDER

WHEREAS the Administrative Office of the United States Courts has requested that the United States Bankruptcy Court for the Northern District of Ohio adopt local procedures, in addition to those procedures already contained in Local Bankruptcy Rule 7067-1, to ensure uniformity in the deposit, investment, and tax administration of funds in the Court’s Registry.

NOW, THEREFORE, IT IS ORDERED that 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 without a court order signed by the presiding judge in the case or proceeding.
 - B. The party making the deposit or transferring funds to the Court’s registry shall serve the order permitting the deposit or transfer on the Clerk of Court.
 - C. 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 with the Court (other than interpleader funds are to be placed in an interest-bearing account in accordance with Rule 67 of the Federal Rules of Civil Procedure (the “Civil Rules”) and Rule 7067 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Court Registry Investment System (“CRIS”) Liquidity Fund, administered by the Administrative Office of the United States under 28 U.S.C. § 2045, shall be the only investment mechanism authorized.
 - B. Interpleader funds deposited under 28 U.S.C. § 1335, Civil Rule 22, and Bankruptcy Rule 7022, meet the IRS 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 the Administrative Office of the United States Courts, which shall be responsible for meeting all DOF tax administration requirements.

- C. The Director of the Administrative Office of the United States Courts is designated as custodian for CRIS. The Director or the Director's designee shall perform the duties of custodian. Funds held in CRIS remain subject to the control and jurisdiction of the Court.
- D. Money from each case deposited in the CRIS shall be "pooled" together with those on deposit with Treasury to the credit of other courts in the 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 and to the credit of the Director of Administrative Office of the United States Courts. The pooled funds will be invested in accordance with the principals of the CRIS Investment Policy as approved by the Registry Monitoring Group.
- E. An account 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 the 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 the CRIS and made available to litigants and/or their counsel. On appointment of an administrator authorized to incur expenses on behalf of the DOF in a case, the case of DOF funds should be transferred to another investment account as directed by court order.

III. Fees and Taxes

- 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 the 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.

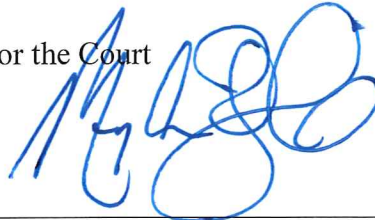
- B. The custodian is authorized and directed by this Order to deduct the DOF fee of an annualized 20 basis points on assets on deposit in the DOF for management of investments and tax administration. According to the Court's Miscellaneous Fee Schedule, the DOF fee is assessed from interest earnings 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 due on behalf of the DOF.

IV. Transition From Former Investment Procedure

- A. The Clerk of Court is further directed to develop a systematic method of redemption of all existing investments and their transfer to the CRIS.
- B. 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.
- C. Parties not wishing to transfer certain existing registry deposits into the CRIS may seek leave to transfer them to the litigants or their designees on proper motion and approval of the judge assigned to the specific case.
- D. This Order supersedes and abrogates all prior orders of this Court regarding the deposit and investment of registry funds.
- E. The effective date of this order is the date the CRIS DOF begins accepting deposits.

Dated: May 4, 2022

For the Court



Mary Ann Whipple
Chief United States Bankruptcy Judge