

UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED LOCAL RULE CHANGE
AND OPPORTUNITY TO COMMENT

PROPOSED CHANGES TO LOCAL RULES

LCvR 67.1

COURT REGISTRY INVESTMENT SYSTEM

The following procedure shall govern deposits into the registry of the Court in all civil actions.

(a) RECEIPT OF FUNDS.

- (1) Unless the statute requires the deposit of funds without leave of Court, no money shall be sent to the Court or its officers for deposit into the Court's registry without a court order signed by the presiding Judge in the case or proceeding.
- (2) Unless provided for elsewhere in this Rule, all money ordered to be paid into 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.
- (3) 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.

(b) INVESTMENT OF REGISTRY FUNDS.

- (1) All funds deposited into the registry of the Court will 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. Unless otherwise ordered, the Court Registry Investment System (CRIS), administered by the Administrative Office of the United States Courts under 28 U.S.C. § 2045, shall be the investment mechanism authorized.
 - (2) Interpleader funds deposited under 28 U.S.C. § 1335 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 the CRIS and administered by the Administrative Office of the United States Courts, which shall be responsible for meeting all DOF tax administration requirements.
 - (3) The Director of the Administrative Office of the United States Courts 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.
- ~~(2)~~(4) Under CRIS, monies deposited in each case under (a)(1) will be "pooled" together with those on deposit with the Treasury to the credit of other courts in the ~~Court Registry Investment System~~ 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 the Administrative Office of the United States Courts, ~~hereby designated eustodian for the Court Registry Investment System.~~ The pooled funds will be invested in accordance with the principles of the CRIS Investment Policy as approved by the Registry Monitoring Group.

- (5) 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 system. Income received from fund investments will be distributed to each case based on the ratio each account's principal and income has to the aggregate principal and income total in the fund after the CRIS fee has been applied. Reports showing the income 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.
- ~~(3)(6) An account for each case will be established in the CRIS titled in the name of the case giving rise to the investment in the system. Income received from fund investments will be distributed to each case based on the ratio each account's principal and income has to the aggregate principal and income total in the fund each week. Weekly reports showing the income 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. 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 DOF funds should be transferred to another investment account as directed by court order.~~

Pursuant to LCvR 1.1(b), the Court is required to advise that the proposed Amendments to the Local Rules will be adopted unless modified or withdrawn by the Court after receiving comments from organized bar associations, members of the bar, and the public. Such comments must be made in writing and submitted by February 13, 2017. Comments should be addressed to John Aldock, Esq., Chairman, Advisory Committee on Local Rules, Goodwin Proctor LLP, 901 New York Avenue, N.W; Washington, DC 20001.

ANGELA D. CAESAR, CLERK.