

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

EFFECTIVE
December 1, 2016

In re:)	
)	
)	ADMINISTRATIVE ORDER 2016-06
AMENDMENT OF LOCAL RULE 7067)	
)	
)	
_____)	

Pursuant to LR 1001(c), the bankruptcy judges of the District of Nevada hereby adopt this Administrative Order and amend Local Rules 7067 as follows:

Local Rule 7067. REGISTRY FUNDS

(a) Receipt of funds.

(1) No money shall be sent to the court for deposit in the court’s registry without a court order signed by the judge in the case or proceeding.

The order must be prepared by the party seeking the order of deposit. The order must state the exact amount to be deposited, that the funds are to be deposited into an interest-bearing account, and that the funds will remain on deposit until further order of the court.

(2) The party making the deposit or transferring funds to the court’s registry shall serve on the clerk of court the order permitting the deposit or transfer.

(3) Unless provided for elsewhere in such 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.

(4) The funds must be submitted to the clerk by check or money order made payable to “U.S. Bankruptcy Court” in the exact amount specified in the court order.

(b) Investment of registry funds.

(1) Where, by order of the court, funds on deposit with the court 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, 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 only investment mechanism authorized.

(2) Interpleader funds deposited under 28 U.S.C. Section 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 the DOF tax administration requirements.

(3) The Director of the Administrative Office of the United States Court 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.

(4) Money from each case deposited in CRIS shall be "pooled" together with those on deposit with Treasury from 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 and to the credit of the Director of Administrative Office of the United States Court. The pooled funds will be invested in accordance with the principals of the CRIS Investment Policy as approved by the Registry Monitoring Group.

(5) An account will be established in the CRIS Liquidity 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 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.

(6) 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.

(c) **Fees and taxes.**

(1) 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

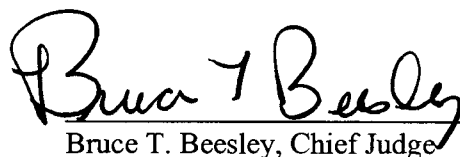
Miscellaneous Fee Schedule, the CRIS fee is assessed from interest earnings to the pool before a pro rata distribution of earnings is made to court cases.

(2) 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.

(d) **Disbursements of registry funds.**

The order which disburses funds must state the name and taxpayer identification number for each party who is to receive funds, the mailing address of each party, and the amount each party is to receive. Funds will be disbursed only after the time for appeal of the related judgment or order has expired, or upon approval by the court of a written stipulation signed by all parties. Due to privacy protection of court filings under Fed. R. Bankr. P. 9037 and the court's privacy policy, a party's social security number may be sent to the court's finance department instead of being included in the disbursement order. The finance department's contact information is available on the contact information page on the court's website.

IT IS SO ORDERED.



Bruce T. Beesley, Chief Judge
United States Bankruptcy Court
District of Nevada