

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

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In re: :

BANKRUPTCY GENERAL ORDER

AMENDMENT TO LOCAL RULE 7067-1 :

No. 11-004

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AMENDMENT TO LOCAL RULE 7067-1 REGISTRY FUNDS

To strengthen the safety of registry funds, the Judiciary now has authority to invest registry funds in the Government Accounting Series Securities under the Bureau of Public Debt's Federal Investment Program. To participate in this program, the Court must first become part of the Court Registry Investment Program (CRIS).

Accordingly, in order to take advantage of this program, the below amendment to Local Bankruptcy Rule 7067-1 is being made.

RULE 7067-1 REGISTRY FUNDS

~~Local Rule Cv 67 of the Local Rules for the U.S. District Court, District of Rhode Island (as amended on 1/1/2006), contained in Appendix X of these rules, shall govern procedures for funds deposited into the Court's Registry Account.~~

(a) Receipt of Funds

- 1) 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.***
- 2) Upon entry of the order, the party shall promptly deliver to the Clerk's Office a check of the amount to be deposited.***
- 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 of Court, and all interested parties.***
- 4) 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.

(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, CRIS, administered by the Administrative Office of the United States Courts, shall be the only investment mechanism authorized.***
- 2) Under CRIS, monies deposited in each case under subparagraph (1) will be "pooled" together with those on deposit with Treasury to the credit of other courts in CRIS and used to purchase Treasury Securities, which will be held at the Federal Reserve Bank of Dallas, in a Safekeeping account in the name and to the credit of the Clerk, United States Court for the Southern District of Texas, hereby designated as custodian for CRIS.***
- 3) An account for each case will be established in CRIS titled in the name of the case giving rise to the investment in the system. Earnings received 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 each week. Weekly reports showing the interest 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 counsels.***

(c) Registry Investment Fee

- 1) The custodian is authorized and directed by this Order to deduct, for maintaining accounts in the Fund, the registry fee. The proper registry fee is to be determined on the basis of the rates published by the Director of the Administrative Office of United States Courts as approved by the Judicial Conference.***
- 2) If registry fees were assessed against the case under the old 45-day requirement prior to deposit in CRIS, no additional registry fee will be assessed.***

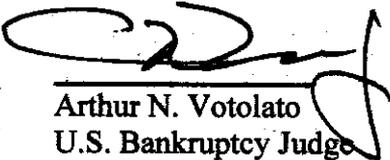
(d) Transition From Former Investment Procedure

- 1) **The clerk of the court is further directed to develop a systematic method of redemption of all existing investments and their transfer to CRIS.**
 - 2) **Parties not wishing to transfer existing investment instruments into CRIS may transfer them to the litigants or their designees on proper motion and approval of the court.**
- (e) **Procedure for Withdrawal of Funds. Any party seeking to withdraw monies from the Registry of the Court must file and serve a motion for the withdrawal of monies from the Registry, together with a proposed order stating the exact amount to be disbursed to each party, and each party's name, address and tax identification number. All transactions regarding Registry funds shall be made only with the approval of the Court.**
- (f) **Deduction of Court Fees. Any order obtained by a party that directs the Clerk to invest in an interest-bearing account or investment funds deposited in the Registry of the Court shall contain wording which directs the Clerk to deduct from the income earned on the funds deposited or invested a fee in the amount of ten percent (10%) of the income earned, whenever such income becomes available for such deduction, and without further order of the Court. Such a provision shall be included in the order regardless of the nature of the case in which the deposit was made.**

ORDER:

/s/ Susan M. Thurston
Susan M. Thurston
Clerk of Court

ENTER:


Arthur N. Votolato
U.S. Bankruptcy Judge

Date: 3/17/11