

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FILED

JUL 19 2017

AT 8:30 _____ M
WILLIAM T. WALSH
CLERK

IN RE: Amendment of Local Civil :
Rules : ORDER

The Court being vested with authority pursuant to 28 U.S.C. § 2071 and Rule 83 of the Federal Rules of Civil Procedure to make and amend local rules; proposed amendments to Local Civil Rules having been submitted to the Lawyers Advisory Committee and the public for comment; no comments having been received, and the proposed amendments having been approved by the Board of Judges;

It is on this *19th* day of *July*, 2017, ORDERED that the Local Civil Rules are amended to read:

Civ. RULE 67.1 DEPOSIT IN COURT AND DISBURSEMENT OF COURT FUNDS

(a) Deposit in Court Pursuant to Fed. R. Civ. P. 67

(1) Receipt of Funds

(A) No money shall be sent to the Court or its officers for deposit into the Court's Registry without a court order by the Judge assigned to the case.

(B) Unless otherwise directed, all registry funds 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.

(C) The party or attorney making the deposit or transferring funds to the Court's Registry shall personally serve the order permitting the deposit or transfer on the Clerk of Court, the Chief Deputy of Administration, Chief Deputy of Operations, or Finance Manager. Failure to personally serve a copy of the order to invest shall release the Clerk and any Deputy Clerk from any liability for the loss of interest which could have been earned on the funds.

(2) Orders Directing Investment of Registry Funds by Clerk

(A) Where, by order of the Court, funds on deposit with the Court are to be placed in some form of interest-bearing account, 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. 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.

(B) 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 the Administrative Office of the United States Courts. The pooled funds will be invested in accordance with the principles of the CRIS Investment Policy as approved by the Registry Monitoring Group.

(C) 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 available through the FedInvest/CMS application for each court participating in the CRIS and made available to litigants and/or their counsel on request. (See Form of Order at Appendix D.1)

(D) Interpleader funds deposited under 28 U.S.C. § 1335 meet the IRS definition of Disputed Ownership Funds (“DOFs”), taxable entities that require tax administration. Interpleader funds will be deposited in the CRIS Disputed Ownership Fund for each interpleader, titled in the name of the case giving rise to the deposit invested in the fund. 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. (See Form of Order at Appendix D.2). 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 upon request.

(E) Only new deposits pursuant to 28 U.S.C. § 1335, effective April 1, 2017, will be placed in the CRIS Disputed Ownership Fund.

(3) Deduction of Fees

(A) The Custodian is authorized to deduct the CRIS fee of an annualized 10 basis points on

assets on deposit in the CRIS Liquidity Fund for the management of investments. The CRIS fee is assessed from the interest earnings of the pool of cases in the CRIS Liquidity Fund before a pro rata distribution of earnings is made to a court case.

(B) The Custodian is authorized to deduct the DOF fee of an annualized 20 basis points on assets on deposit in the CRIS DOF for management of investments and tax administration. The DOF fee is assessed from interest earnings to the pool of cases in the CRIS DOF before a pro rata distribution of earnings is made to a court case. The Custodian is further authorized to withhold and pay federal taxes due on behalf of the DOF cases.

(C) If a Judge orders the appointment of a tax administrator to oversee potential expenses that may be incurred on behalf of a case with funds in the DOF, the amount of the Disputed Ownership Fund in the case must be transferred to the CRIS Liquidity Fund, or as otherwise directed by court order.

(b) Orders Relating to the Disbursement of Court Funds

(1) Before any proposed order for disbursement of monies from the Registry of the Court is submitted to or considered by a Judge, the order first shall be approved as to form and content by the Clerk of Court or his/her designee.

(2) Counsel of record for a prevailing party(ies) shall consult with the Clerk of Court to ascertain the amount of interest accrued to date before applying (preferably by consent) to the Court for an order to disburse funds, including interest, from the Court's Registry. If applicable, the proposed order shall indicate the percentage of accrued interest to be disbursed to each party, subject to the deduction of the Court's administrative fee as set forth in (a)(3) herein.

(3) A signed and completed W-9 Form for each recipient of accrued interest must be forwarded to the Court's Finance Manager before the funds will be released. The Social Security Number or Tax Identification Number of each recipient of accrued interest and their tax mailing address must be provided for the purpose of issuing 1099-INT annually. The completed W-9 forms should be provided to the Court's Finance Manager separately and not as an attachment to the motion to disburse funds.

(4) All disbursement orders shall provide for the signature of the Clerk of Court or his/her designee in addition to that of the Judge, and shall state the following: "I recommend approval of the above order and declare that no lien or other claim against monies deposited in the Registry of the Court in this matter is on file in my office as of this date."

(Date)

(Clerk/Deputy Clerk)

(5) Failure of a party to personally serve the proposed order provided in L.Civ.R. 67.1(b)(1) upon the Clerk of Court, Chief Deputy of Administration, Chief Deputy of Operations or

Finance Manager shall relieve the Clerk of Court or his/her designee from all liability for any lien on or other claim against the monies on deposit.

Amended June 19, 2013

It is FURTHER ORDERED that these amendments are effective this date.

FOR THE COURT:



JOSE L. LINARES
Chief Judge

APPENDIX D.1 ORDER GRANTING MOTION TO DEPOSIT SUM OF MONEY WITH THE COURT INTO THE COURT REGISTRY INVESTMENT SYSTEM LIQUIDITY FUND

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

	Civil Action No.
Plaintiff(s)	
vs.	ORDER GRANTING MOTION TO
Defendant(s)	DEPOSIT SUM OF MONEY
	WITH THE COURT INTO
	THE CRIS LIQUIDITY
	FUND

The above-captioned matter having come before the Court upon the _____ Motion to Deposit Sum of Money with the Court pursuant to Fed. R. Civ. P. 67 and L.Civ.R. 67.1, and the Court having considered the motion,

NOW, THEREFORE, it is on this _____ day of _____, 20____;

ORDERED that the Motion to Deposit Sum of Money with the Court into the Court Registry Investment System Liquidity Fund (CRIS Liquidity Fund) shall be, and is hereby, GRANTED; it is

FURTHER ORDERED that the sum of _____ be deposited by the Clerk of Court into the Registry of this Court and then, as soon as the business of his or her office allows, the Clerk of Court shall deposit these funds into the interest-bearing CRIS Liquidity Fund administered by the Administrative Office of the United States Courts as Custodian, pursuant to L.Civ.R. 67.1(a)(2); it is

FURTHER ORDERED that the sum of money so invested in the interest-bearing CRIS Liquidity Fund shall remain on deposit until further order of this Court at which time the funds, together with interest thereon, shall be retrieved by the Clerk of Court and redeposited into the non-interest-bearing Registry of the Court for disbursement pursuant to further order of the Court; it is

FURTHER ORDERED that the Custodian shall deduct the CRIS fee of an annualized 10 basis points on assets on deposit for all CRS funds for the management of investments in the CRIS, excluding the case funds held in the Disputed Ownership Fund, and it is

FURTHER ORDERED that a signed copy of this Order shall be personally served upon the Clerk of Court, Chief Deputy of Administration, Chief Deputy of Operations or Finance Manager.

UNITED STATES DISTRICT JUDGE

APPENDIX D.2 ORDER GRANTING MOTION TO DEPOSIT SUM OF MONEY WITH THE COURT INTO THE COURT REGISTRY INVESTMENT SYSTEM DISPUTED OWNERSHIP FUND

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

	Civil Action No.
Plaintiff(s)	
vs.	ORDER GRANTING MOTION TO DEPOSIT SUM OF MONEY WITH THE COURT INTO THE CRIS DISPUTED OWNERSHIP FUND
Defendant(s)	

The above-captioned matter having come before the Court upon the _____ Motion to Deposit Sum of Money with the Court pursuant to Fed. R. Civ. P. 67 and L.Civ.R. 67.1, and the Court having considered the motion,

NOW, THEREFORE, it is on this _____ day of _____, 20____;

ORDERED that the Motion to Deposit Sum of Money with the Court into the Court Registry Investment System Disputed Ownership Fund (DOF) shall be, and is hereby, GRANTED; it is

FURTHER ORDERED that the sum of _____ be deposited by the Clerk of Court into the Registry of this Court and then, as soon as the business of his or her office allows, the Clerk of Court shall deposit these funds into the interest-bearing DOF established within the CRIS and administered by the Administrative Office of the United States Courts, as Custodian, which shall be responsible for meeting all DOF tax administration requirements, pursuant to L.Civ.R. 67.1(a)(2); it is

FURTHER ORDERED that the sum of money so invested in the interest-bearing DOF shall remain on deposit until further order of this Court at which time the funds, together with interest thereon, shall be retrieved by the Clerk of Court and redeposited into the non-interest-bearing Registry of the Court for disbursement pursuant to further order of the Court; it is

FURTHER ORDERED that the Custodian shall the DOF fee of an annualized 20 basis points on assets on deposit in the DOF for management of investments and tax administration. The Custodian shall withhold and pay federal taxes due on behalf of the DOF; and it is

FURTHER ORDERED that a certified copy of this Order shall be personally served upon the Clerk of Court, Chief Deputy of Administration, Chief Deputy of Operations or Finance Manager.

UNITED STATES DISTRICT JUDGE