

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
OFFICE OF THE CLERK
800 Market Street, Suite 130
Knoxville, Tennessee 37902
(865) 545-4228

DEBRA C. POPLIN
Clerk of the Court

JOHN L. MEDEARIS
Chief Deputy Clerk

NOTICE

Pursuant to 28 U.S.C. § 2071(b), the Clerk of the Court hereby gives notice of and an opportunity for comment regarding the Court’s proposal to abrogate current Local Rule 67.1 in its entirety and substitute the following in its place:

LR67.1 Deposit of Funds Into Court

A. Receipt of Funds

1. No money shall be sent to the Court or its officers in the Court’s Registry without a court order signed by the presiding judge in the case or proceeding. The party making the deposit or transferring funds to the Court’s registry pursuant to Fed. R. Civ. P. 67 shall serve the order permitting the deposit or transfer on the Clerk of Court.
2. 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 deposits 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, or invested in a court-approved, interest-bearing instrument in accordance with Fed. R. Civ. P. 67, 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. 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 the CRIS remain subject to the control and jurisdiction of the Court.
3. 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.

4. 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 fund. Income generated from the 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. 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.

C. Deduction of Fees

1. The custodian is authorized and directed by this Order to deduct the investment services fee for the management of investments in the CRIS and the registry fee for maintaining accounts deposited with the Court.
2. The investment services fee is assessed from interest earnings to the pool according to the Court's Miscellaneous Fee Schedule and is to be assessed before a pro rata distribution of earnings to court cases.
3. The registry fee is assessed by the custodian from each case's pro rata distribution of the earnings and is to be determined on the basis of the rates published by the Director of the Administrative Office of the United States Courts as approved by the Judicial Conference of the United States.

D. Minors' Funds

1. The Administrative Office has established a Minors' Fund within CRIS to invest post-adjudication deposits held on behalf of minors until their age of majority, which is often longer than 100 days. Specifically, the Minor's Fund continues to feature daily liquidity but will initially be comprised of a laddered portfolio of one-year securities maturing each month. Thus, the fund improves the match between investment holdings and the length of time each minor's case remains invested, thereby capitalizing on higher-yielding securities.
2. In any cases that are adjudicated on behalf of minors, the associated registry deposits shall be invested via the Minors' Fund.

E. Disbursement of Registry Funds

1. All motions for disbursement of registry funds shall specify the principal sum initially deposited, the amount(s) of principal funds to be disbursed, and to whom the disbursement is to be made, along with complete mailing instructions (full address and ZIP code of payee and attorney), and have attached thereto a proposed order of disbursal.
2. Each proposed order of disbursal shall contain therein the following language: "The Clerk is authorized and directed to draw a check(s) on

the funds on deposit in the registry of this Court in the principal amount of \$_____ plus all accrued interest, minus any statutory fees, payable to _____, and mail or deliver the check(s) to _____ at (full address with ZIP code).” If more than one check is to be issued on a single order, the portion of principal due each payee must be separately stated. Counsel must also provide the Social Security number or taxpayer identification number for each payee and complete mailing or delivery instructions for each payee.

3. On all checks drawn by the Clerk on deposits made into the registry of the Court, the name of the payee shall be written as that name appears in the Court’s order providing for disbursement.
4. When money has been paid to the Clerk on behalf of a minor, incompetent, or incapacitated person, a guardian or conservator shall be qualified under state law within 30 days, and the Clerk shall, upon presentation of a certified copy of the appointment and qualification, disburse the funds to that guardian or conservator as ordered by the Court.

- F. Designated and Qualified Settlement Funds. Funds invested with the Court for the purpose of settlement are subject to additional rules under 26 U.S.C. § 468B.

Comments should be directed in writing to Debra C. Poplin, Clerk of Court, by

November 30, 2016, at the above address.

Comment: These revisions are required as a result of the Court’s transition to the Court Registry Investment System (CRIS), an investment management tool for courts’ registry funds.