

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF ALABAMA**

**ORDER REGARDING THE COURT \*  
REGISTRY INVESTMENT \*  
SYSTEM (CRIS) FEE STRUCTURE \* STANDING ORDER NO. 35  
AND DISPUTED OWNERSHIP \*  
FUND \***

Civil L.R. 67 governs deposits into the court, withdrawal of monies, and registry fees. This Standing Order modifies Civil L.R. 67 by establishing a new Disputed Ownership Fund pool and implementing a new fee structure for all court deposits.

**I. Investment of Interpleader Funds in the CRIS Disputed Ownership Fund**

- A. The Administrative Office of the United States Courts is establishing a Disputed Ownership Fund (DOF) within the Court Registry Investment System (CRIS). Interpleader funds deposited under 28 U.S.C. § 1335 meet the IRS definition of a disputed ownership fund, 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.
- B. 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.

## **II. Fees and Taxes**

- A. 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.
- B. 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.

## **III. Transition to DOF and New Fee Structure**

- A. Sections I(A), I(B) and II(B), above, supplement the existing provisions of Civil L.R. 67. The effective date of Sections I(A), I(B) and II(B) is **April 1, 2017**, which is the date on which the DOF administered by the Administrative Office of the United States Courts will begin accepting deposits. Those sections, and the DOF procedures and fee structures they describe, govern all new § 1335

interpleader registry deposits made on or after that effective date, but no other CRIS funds or deposits.

- B. Section II(A) supersedes and replaces Civil L.R. 67(g) in its entirety. The effective date of the new CRIS fee structure set forth in Section II(A) is **December 1, 2016.**
- C. Except as specifically stated herein, Civil L.R. 67 remains in full force and effect.

Done this 14<sup>th</sup> day of November, 2016.

FOR THE COURT:

\_\_\_\_\_/s/\_\_\_\_\_  
William H. Steele  
Chief United States District Judge