

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

STANDING ORDER DIRECTING TRUSTEES TO DEPOSIT ESTATE ASSETS
INTO INTEREST BEARING ACCOUNTS IN DEPOSITORIES
WILLING TO PROVIDE FINANCIAL STATEMENTS TO THE COURT

WHEREAS, each and every Trustee in the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clearfield, Fayette, Greene, Indiana, Lawrence, Somerset, Washington and Westmoreland in this District ("Trustees") currently holds, or in the future will acquire, money in cases to which he/she has been appointed trustee under Chapter 7 of the Bankruptcy Code ("Estate Funds"), the total of which is substantial;

WHEREAS, The Bankruptcy Code provides that Trustees may make such deposits or investments of Estate Funds as will yield the maximum reasonable net return on such moneys, taking into account the safety of such deposits or investments;

WHEREAS, Trustees currently are not required to invest Estate Funds and many in fact do not do so;

WHEREAS, the investment of Estate Funds increases the size of the estates and maximizes the amount of money available for distribution to creditors, debtors, and other parties in interest;

WHEREAS, the Court has determined that in the best interest of case administration Trustees should, in a manner consistent with the Bankruptcy Code, invest Estate Funds;

WHEREAS, some Trustees currently hold Estate Funds of more than one estate in one account;

WHEREAS, the segregation of accounts for separate estates facilitates administrative control of the cases;

WHEREAS, Trustees are required by local rule to file with the Clerk of the Court quarterly financial reports of Estate Funds;

WHEREAS, compliance with the local rule in some instances has been slow and troublesome because of the large number of accounts and banks used by Trustees;

WHEREAS, certain depositories are willing to provide the financial reports without charge to the Clerk of Court and Trustees;

WHEREAS, the Court has determined that in the interest of administrative ease Trustees should make Estate Funds deposits in such depositories which are willing to provide the financial information required by Local Rule and regulations promulgated pursuant to Bankruptcy Rule 5008(f);

It is hereby ORDERED and DECREED as follows:

1. Trustees, unless otherwise hereafter directed by the Court, shall deposit all currently held money within ten (10) days of this Order and future acquired money forthwith into an interest bearing account which is insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States;
2. Trustees within ten (10) days of making said deposit shall file a report, or cause the report to be filed by the depository, with the Clerk which states the

depository, account name, account number, and the amount of the deposit. PROVIDED, however, that such report must be filed only with respect to the first deposit made into each account;

3. Trustees shall maintain separate accounts for each estate unless the Court hereafter authorizes the deposit or investment of funds from more than one estate in a single account or investment instrument;
4. Trustees shall maintain all Estate Funds in such depositories which shall agree with the Trustees to provide the Clerk of the Court at least quarterly a statement of each account, including the bankruptcy case number, the dates and amounts of deposits and disbursements, the balance on deposit, and any interest which has accrued as of the date of the report statement; the report shall also identify each account as follows:

John Doe as trustee (or other fiduciary)
for the bankruptcy estate of
A.B.C. Company, Case No. 83-12345.

The filing of this Quarterly Report by the depository shall relieve the Trustee of the responsibility for filing the required Reports. PROVIDED, however, that the failure or refusal of the depository to provide the required reports shall not relieve Trustees from submitting the required reports to the Clerk of the Court;

5. Whenever the total of deposited or invested bankruptcy funds not insured or guaranteed by the United States

or backed by the full faith and credit of the United States reaches 95 percent of the amount of the bond or securities required by 11 U.S.C., Section 345(b), it shall be the duty of the entity with which such funds are deposited or invested to file a written statement with the Court setting forth the total amount of such deposits not so insured, guaranteed, or backed by the full faith and credit of the United States and the amount of the bond or securities.

6. Trustees shall include in each final account filed the interest earned on the Estate Funds up to and including the date of the filing of said account.
7. For cause shown upon specific Order of Court a Trustee may seek modification of the above paragraphs in a specific case.
8. This Order shall become effective November 1, 1984.

Dated: August 28, 1984

BY THE COURT:



GERALD K. GIBSON
United States Bankruptcy Judge



JOSEPH L. COSETTI
United States Bankruptcy Judge