

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

OCT 24 1988

JESSE E. CLARK, CLERK
BY DEPUTY: *Joyce Greenha*

ORDER APPROVING BASELINE §
PORTFOLIO STRATEGY FOR § ORDER NO. 88-15
POOLED FUNDS §

The Court's investment objective for Registry funds without a known disbursement date remains safety of principal, weekly liquidity, and market rates of return. The Court deems that purchasing short-term, self-collateralizing U.S. Treasury Securities with pooled registry funds, meets this investment objective.

The Court does not wish the Clerk to make secondary market investment decisions based on anticipated movements in interest rates or on an analysis of market trends. The Clerk shall make purchasing decisions based on weekly liquidity requirements and shall accept the prevailing rates of return available for the required maturity at the time of purchase. The Clerk shall effect secondary market purchases through a broker to optimize returns for each purchase. The broker will be instructed by the Clerk to purchase securities meeting the liquidity requirements of the pooled registry funds.

To guide investment decisions, the Clerk shall:

- 1) Calculate the average dollar value of pooled cases and assure that securities equal to at least ten times the case average mature weekly. To calculate average case value, the Clerk shall divide the total dollar value of pooled cases by the total number of cases.

- 2) Purchase Treasury Securities with a maximum of 100 days to maturity.
- 3) Authorize the broker to apply earnings from investment securities to each case in the pool as the securities mature.

The Clerk is hereby ORDERED to implement the elements of this Order as of the date signed. Adopted by the Full Court this 24th day of October, 1988.


HONORABLE JAMES DeANDA
CHIEF JUDGE