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Judge: The Honorable Samuel J. Steiner  
Date/time: Submitted on consent  
Chapter: 11  
Location: Seattle

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON

In Re:

THE OLYMPIC PIPE LINE COMPANY,  
a Delaware corporation,

Debtor

No. 03-14059

ORDER DIRECTING THE  
DEPOSIT OF NATURAL  
RESOURCE DAMAGES  
INTO THE REGISTRY  
OF THE COURT

This Order is entered in furtherance of a Consent Decree in the above captioned matter between the United States of America, on behalf of the National Oceanic and Atmospheric Administration ("NOAA") and the Department of the Interior ("DOI") (collectively, the "United States"); the State of Washington, by the Department of Ecology ("State"); the Lummi Nation; the Nooksack Indian Tribe of Washington; and the City of Bellingham ("City"); and Olympic Pipe Line Company ("Olympic"); Shell Pipeline Company LP (fka Equilon Pipeline Company LLC); Equilon Enterprises LLC dba Shell Oil Products US; Equiva Services LLC; and Shell Oil Company. In connection with the Consent Decree, Olympic and Equilon Enterprises LLC dba Shell Oil Products US have entered into an agreement with insurers Heddington Insurance

ORDER DIRECTING DEPOSIT  
INTO THE REGISTRY OF THE COURT - 1

U.S. Department of Justice  
NOAA GC-DOJ DARC  
7600 Sand Point Way NE  
Seattle, WA 98115-0070  
206-526-6616

1 (U.K.) Ltd. ("Heddington") and Noble Assurance Company ("Noble") ("the Insurers") under  
2 which Heddington has agreed to pay \$1,559,360 and Noble has agreed to pay \$1,984,640 into  
3 the Registry of the Court for use by NOAA, DOI, the State, the Lummi Nation, the Nooksack  
4 Indian Tribe of Washington and the City (collectively "the Natural Resource Trustees").

5 Payment of the funds is part of the settlement of claims by the Trustees against Olympic, Shell  
6 Pipeline Company LP (fka Equilon Pipeline Company LLC), Equilon Enterprises LLC dba Shell  
7 Oil Products US, Equiva Services LLC, and Shell Oil Company for Natural Resource Damages,  
8 as defined in the Consent Decree, arising from the June 10, 1999 gasoline spill and fire in  
9 Whatcom Creek in Bellingham, Washington. This Order addresses handling and investment of  
10 those funds by the Registry of the Court.

11 Pursuant to Rule 67 of the Federal Rules of Civil Procedure, 28 U.S.C. § 2041, and  
12 Local Rule GR 6, and in accordance with the terms of the Consent Decree, it is hereby:

13 1. ORDERED that an account shall be established in the Registry for payments  
14 received in the above captioned matter, and that the account shall be titled Whatcom Creek  
15 Natural Resource Restoration Account ("Whatcom Creek Restoration Account"); and it is

16 2. ORDERED that the Clerk of the Court shall administer the funds so received as  
17 follows:

18 a) \$100,000 of the funds received shall be deposited in such interest-bearing  
19 federally insured commercial bank account or accounts as the Clerk deems appropriate;

20 b) the balance of the funds received shall be used to purchase 91-day Treasury  
21 Securities, at the highest prevailing interest rate available for such Treasury Securities;

22 c) upon maturity of the Treasury Securities referred to in subparagraph b), the  
23 Clerk shall consult with counsel for the United States regarding the allocation of the proceeds of  
24 such Treasury Securities between the bank account or accounts identified in subparagraph a) and  
25 the purchase of additional short-term Treasury Securities. Counsel for the United States shall

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1 consult with representatives of the Natural Resource Trustees and, depending upon the Natural  
2 Resource Trustees' anticipated funding needs, shall advise the Clerk regarding the desired  
3 allocation of such proceeds between the bank account or accounts and reinvestment in Treasury  
4 Securities. The Clerk may make any such allocations of funds as directed by counsel for the  
5 United States without further Order of the Court; and it is

6 3. ORDERED that all income earned as interest on funds so invested or deposited  
7 shall be credited to the Whatcom Creek Restoration Account; and it is

8 4. ORDERED that the Natural Resource Trustees may apply to the Court for an Order  
9 establishing an investment procedure or vehicle alternative to that identified in paragraph 2.b.  
10 above that provides a comparable level of security and earnings potential, which application  
11 may be acted upon by the Court without notice to or consent by any other Party; and it is

12 5. ORDERED that the Clerk shall prepare quarterly reports on the status and activity  
13 of the Whatcom Creek Restoration Account showing payments received, disbursements made,  
14 income earned, maturity dates of securities held, and principal balance, and shall distribute the  
15 reports to counsel for the United States; and it is

16 6. ORDERED that funds in the Whatcom Creek Restoration Account shall remain in  
17 the Registry until further order of this Court; and it is

18 7. ORDERED that the Natural Resource Trustees shall establish such decision making  
19 procedures regarding expenditures of funds from the Whatcom Creek Restoration Account as  
20 they deem appropriate. Applications for orders for disbursements from the Whatcom Creek  
21 Restoration Account shall be made by the United States on behalf of the Natural Resource  
22 Trustees. The application shall be supported by a certification of the Natural Resource Trustees  
23 that their determination to make such disbursement was in compliance with said decision making  
24 procedures and is consistent with the terms of the Consent Decree and other applicable law.  
25 Such applications may be acted upon by the Court without notice, to or consent by any other

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27 INTO THE REGISTRY OF THE COURT - 3  
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1 Party. Any of the Natural Resource Trustees may petition the Court for review of a decision by  
2 the United States to seek or not to seek an application for an order for disbursement, provided  
3 that the party or parties seeking review have complied with any dispute resolution provisions  
4 adopted as part of the decision making procedures referred to above; and it is

5 8. ORDERED that counsel for the United States shall serve as the point of contact for  
6 the Clerk on behalf of the Natural Resource Trustees, and shall distribute copies of the reports  
7 referred to in paragraph 5 of this Order to the other Natural Resource Trustees; and it is

8 9. ORDERED that the Clerk is authorized and directed by this Order to deduct for  
9 maintaining funds in the Registry Account the fee as authorized at 56 Federal Register 56356  
10 (November 4, 1991); and it is

11 10. ORDERED that a certified copy of this Order shall be served upon the Clerk of  
12 this Court.

13 Dated Nov. 12, 2004

**SAMUEL J. STEINER**

The Honorable Samuel J. Steiner  
United States Bankruptcy Judge  
Western District of Washington

26  
27 ORDER DIRECTING DEPOSIT  
28 INTO THE REGISTRY OF THE COURT - 4

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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON

In re:

Transfer of Existing Registry Accounts

ORDER

The Clerk of Court has established the use of the Bank of America Court Online Banking (COLB) system for the management of the Registry Accounts of the U. S. Bankruptcy Court.

All COLB registry accounts exceeding \$100,000.00 will be fully collateralized by securities in accordance with 31 C.F.R. Part 202. Collateral positions, per case, can be viewed daily.

The Clerk of Court and Chief Deputy are authorized signers for Court Ordered disbursements from COLB Registry Accounts.

It is hereby ordered that the Clerk of Court or a designated deputy shall transfer from the Key Capital Investment Registry Accounts to the COLB Accounting System any existing registry accounts with no pending disbursements.

DATED: 9 November 2004.

FOR THE COURT:



PHILIP H. BRANDT  
Chief Bankruptcy Judge

ORDER

**Bank of America.**

### Court Online Banking (COLB)

COLB is an electronic, online banking system that was developed by Bank of America and EPIQ Systems, Inc. specifically for the registry funds management of the U.S. Courts. Through this PC based software system, the Court is able to process all of its banking related to registry cases and accounts directly from the Clerk's office, eliminating the need for redundant telephone calls, or time consuming trips to a banking center. COLB currently provides and enables the Court to do the following:

- Accounts are opened and closed online
- Account activity and current account balance information, including interest earned to date, can be viewed daily
- COLB records interest on a daily basis, thereby enabling the Court to close accounts with the applicable earned interest to date, without any manual interest calculations by the Bank or the Court
- Deposits are recorded on COLB and all non-cash deposits can be sent to Bank of America via prepaid overnight Airborne delivery
- Accounts can be reconciled daily by the Court
- Transfers between money market registry accounts and a zero balance, non-interest bearing, Master Disbursement Account are performed online
- Interest paid by Bank of America on registry money market accounts is posted automatically to separate account ledgers monthly
- Interim disbursements are easily performed and tracked on COLB
- Disbursement checks are printed on special check stock, when you need them, directly from your office
- At case/account closing the Court can print multiple disbursement checks, as well as a check to the Court for applicable registry fees
- COLB automatically calculates the Court's registry fees based on the percentage rate entered by the Court
- COLB generates a number of daily and monthly transaction reports
- Ad Hoc reports can be printed at any time, which assists with auditing and with quarterly reporting to the AO
- COLB currently interfaces with CFS via a monthly ASCII file which uploads interest earned on all individual case accounts
- Account balances exceeding \$100,000 are fully collateralized by securities in accordance with 31 C.F.R. Part 202 (formerly Circular 176)
- Collateral positions per case accounts, can be viewed daily

- Formal collateral reports are sent to the Court monthly
- Bank will prepare and file 1099 statements on accounts that close during the year and have earned interest exceeding \$10.00, based on the reporting information that is provided to us by the Court

### **SYSTEM CONTROLS**

COLB has a number of security features built in to control who can access the system and what types of banking transaction can be performed. Paper reports provided by the system, and by the Bank provide a paper audit trail of all banking activities.

- A unique User PIN to access the Bank's database is provided by Bank of America
- User IDs and password are used to control access to Court Online Banking
- Specific activities are controlled by User ID and passwords (example: user who has access to prepare checks, may not have be able to print them)
- Users are prompted to change their password on a periodic basis
- Control reports are generated whenever data is sent to, or received from Bank
- All financial transactions are time/date/user stamped and recorded in maintenance reports for audit and control purposes
- All changes to user security are time/date/user stamped and recorded in maintenance reports for control purposes
- Systems administrator at the Court can control passwords and system access
- Data files sent to and received from the Bank are backed up nightly by Bank of America (does not replace the Court's responsibility to back up files)
- Paper statements from the Bank are used as backup/control of system
- Deposit slip Confirmations are mailed back to the Court
- Special check stock that includes a water mark, legalese and paper that can not be "washed" is provided free of charge to the Court

### **INTEREST RATE**

All registry fund accounts are opened with Bank of America as money market savings accounts, earning a competitive rate of interest.

### **PRODUCT PACKAGE PROVIDED TO THE COURT AT NO COST**

- COLB Software
- COLB training (2 days on site at Court)
- Conversion expertise
- Special Check stock
- Deposit stock
- Initial Micr toner cartridge for check and deposit printing
- Endorsement stamp
- Prepaid Airborne overnight courier envelopes
- Ongoing Banking support