

## A CTA Injunction Remains Despite Supreme Court Stay

On January 23, 2025, the U.S. Supreme Court **stayed** the injunction issued by the Fifth Circuit Court of Appeals in the case of *Texas Top Cop Shop, Inc. v. Garland, et al.* Case No. 4:24-cv-478 (E.D. Tex.) (Texas Top Cop Case). The Supreme Court's decision to stay the injunction is not a ruling on the merits of the case, which remains on appeal in the Fifth Circuit

However, in a separate case, on January 7, 2025, the U.S. District Court for the Eastern District of Texas issued a nationwide injunction on enforcement of the CTA reporting regulations promulgated by FinCEN while enjoining enforcement of the CTA only against the named plaintiffs. *Samantha Smith and Robert Means vs. U.S. Department of Treasury, et al.* No. 6:24-CV-336 (E.D. Texas 1/7/2025) (Smith CTA case). The government has yet to appeal the *Smith* CTA case, and therefore the Supreme Court's decision in the *Texas Top Cop* case does not address it.

Accordingly, the reporting requirements under the CTA remain enjoined at this time pending any appeal by the government in the *Smith* CTA case. An alert posted on FinCEN's website acknowledges that reporting companies are not currently required to file beneficial ownership information with FinCEN due to the *Smith* CTA case injunction.

We continue to suggest that companies consider proceeding with any analysis necessary to determine whether they are required to make any CTA filing and gather the necessary information to be prepared to file promptly if the CTA reporting requirements are reinstated.



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