



## ISSUE ALERTS

### SUPREME COURT STAYS INJUNCTION IN ONE CASE, BUT CTA COMPLIANCE REMAINS TEMPORARILY ON HOLD PENDING OTHER APPEAL

January 28, 2025

By: William P. Matthews and Sarah Buchanan

In the latest development surrounding the Corporate Transparency Act (“CTA”), on Jan. 23, 2025, the United States Supreme Court stayed a nationwide injunction previously issued by a Texas federal court in *Texas Top Cop Shop, Inc. v. McHenry* (Case No. 4:24-cv-478, E.D. Tex., formerly *Texas Top Cop Shop v. Garland*).

Ordinarily, the Supreme Court’s decision would have reinstated the CTA’s nationwide beneficial ownership information (“BOI”) reporting requirements. However, due to a separate ruling on Jan. 7, 2025, by the U.S. District Court for the Eastern District of Texas in *Smith v. U.S. Department of Treasury* (Case No. 6:24-cv-336-JDK, E.D. Tex.), reporting obligations remain suspended. The Financial Crimes Enforcement Network (“FinCEN”) has confirmed that reporting companies will not be subject to penalties under the CTA while the *Smith* decision is appealed. Nonetheless, FinCEN continues to accept voluntary submissions of BOI reports.

The Supreme Court’s handling of the *Texas Top Cop Shop* injunction suggests that the *Smith* decision may be overturned on appeal. If the stay is lifted, FinCEN will likely establish a new compliance deadline for reporting companies, as it did in late December, but the length of any extension remains uncertain. Given the ongoing uncertainty regarding the CTA’s legal status, reporting companies should be prepared to meet their BOI reporting obligations on short notice.

#### FOR MORE INFORMATION

If you have questions or want more information regarding the Corporate Transparency Act, contact your legal counsel. If you do not have regular counsel for such matters, Foulston Siefkin LLP would welcome the opportunity to work with you to meet your specific needs. For more information, contact Bill Matthews at 316.291.9556 or [bmattthews@foulston.com](mailto:bmattthews@foulston.com). For more information on the firm, please visit our website at [www.foulston.com](http://www.foulston.com).

# FOULSTON

## ATTORNEYS AT LAW

Established in 1919, Foulston Siefkin is the largest Kansas-based law firm. With offices in Wichita, Kansas City, and Topeka, Foulston provides a full range of legal services to clients in the areas of administrative & regulatory; antitrust & trade regulation; appellate law; banking & financial services; business & corporate; construction; creditors' rights & bankruptcy; e-commerce; education & public entity; elder law; employee benefits & ERISA; employment & labor; energy; environmental; ERISA litigation; estate planning & probate; family business enterprise; franchise & distribution; government investigations & white collar defense; governmental liability; government relations & public policy; healthcare; immigration; insurance regulatory; intellectual property; litigation & disputes; long-term care; mediation/dispute resolution; mergers & acquisitions; Native American law; noncompete & trade secret litigation; oil, gas & minerals; OSHA; privacy & data security; private equity & venture capital; product liability; professional malpractice; real estate; renewable energy, storage, and transmission; securities & corporate finance; startup/entrepreneurship; supply chain management; tax-exempt organizations; taxation; and water rights.

### ADDITIONAL RESOURCES

Sign up to receive Foulston's issue alerts straight to your inbox [here](#).

---

*This update has been prepared by Foulston Siefkin LLP for informational purposes only. It is not a legal opinion; it does not provide legal advice for any purpose; and it neither creates nor constitutes evidence of an attorney-client relationship.*

### PRACTICE AREAS

---

- Business & Corporate Law