

Michigan Federal Court Holds CTA Reporting Rule Unconstitutional, Enjoins Enforcement Against Named Plaintiffs

March 4, 2025

On March 3, 2025, a Michigan federal district court in *Small Business Association of Michigan v Yellen*, Case No. 1:24-cv-413 (*W.D Mich 2025*) (*SBAM*), held that the CTA's reporting rule is unconstitutional under the Fourth Amendment (unreasonable search) and entered a judgment permanently enjoining the enforcement of the CTA reporting requirements against the named plaintiffs and their members only. The district court did not find it necessary to, and did not, rule on the plaintiffs' separate Article 1 and Fifth Amendment constitutional claims, instead leaving them "to another day, if necessary."

The *SBAM* plaintiffs include (a) the Small Business Association of Michigan and its more than 30,000 members, (b) the Chaldean American Chamber of Commerce and its more than 3,000 members, (c) two individual reporting company plaintiffs, and (d) two individual beneficial owner plaintiffs owning membership interests in reporting companies.

We are not aware as of the date of this Alert whether the defendants have, or intend to, appeal the *SBAM* judgment to the Sixth Circuit Court of Appeals.

For background and further information regarding the CTA and the reporting rule, please visit Corporate Transparency Act: Miller Canfield.

If you have questions about your CTA-related engagement with the firm, please contact your Miller Canfield lawyer for further guidance.