

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

NOVEDADES Y SERVICIOS, INC. and
ESPERANZA GOMEZ ESCOBAR,

Case No.: 25-CV-886 JLS (DDL)

Plaintiffs,

**ORDER GRANTING *EX PARTE*
MOTION FOR TEMPORARY
RESTRAINING ORDER**

FINANCIAL CRIMES ENFORCEMENT
NETWORK, et al.,

(ECF No. 8)

Defendants.

Presently before the Court is Plaintiffs Novedades y Servicios, Inc. and Esperanza Pérez Escobar's Motion for a Temporary Restraining Order ("Mot.," ECF No. 8), filed April 16, 2025. The next day, the Court set an expedited briefing schedule and hearing date for the Motion. ECF No. 11. Defendant United States of America filed an Opposition to the Motion on April 18, 2025 ("Opp'n," ECF No. 13), to which Plaintiffs filed a Reply ("Reply," ECF No. 14). The Court heard oral argument on April 22, 2025. ECF No. 15. After fully considering the Motion, the Parties' arguments, the law, and the evidence, the Court

1 **GRANTS** Plaintiffs' Motion.

2 On March 11, 2025, the Financial Crimes Enforcement Network ("FinCEN"), a
3 bureau within the United States Department of Treasury, issued a Geographic Targeting
4 Order ("Border GTO"). *FinCEN Issues Southwest Border Geographic Targeting Order*,
5 Fin. Crimes Enf't Network (Mar. 11, 2025), <https://www.fincen.gov/news/news-releases/fincen-issues-southwest-border-geographic-targeting-order>. The GTO, which
6 was published in the Federal Register on March 14, 2025, imposes new recordkeeping and
7 reporting requirements on money services businesses ("MSBs") in select zip codes in
8 Texas and California. *Issuance of a Geographic Targeting Order Imposing Additional
Recordkeeping and Reporting Requirements on Certain Money Services Businesses Along
the Southwest Border*, 90 Fed. Reg. 12106 (Mar. 14, 2025). Plaintiffs brought this action
11 challenging the GTO, which became effective on April 14, 2025, alleging that the GTO:
12 (1) violates the Fourth and Fifth Amendments to the United States Constitution,
13 (2) violates multiple provisions of the Administrative Procedures Act ("APA"), and
14 (3) was issued without sufficient statutory authority. ECF No. 1 ("Compl."). Plaintiffs
15 also allege that the GTO's authorizing statute, 31 U.S.C. § 5326, violates the
16 non-delegation doctrine. *Id.*

18 Under the *Winter* factors, which govern the issuance of a temporary restraining order
19 ("TRO"), the Court concludes that a TRO is warranted. *See Babaria v. Blinken*,
20 87 F.4th 963, 976 (9th Cir. 2023). *First*, the Court finds that Plaintiffs have demonstrated
21 a substantial likelihood of success on the merits of their claims that the GTO was
22 unlawfully issued without undergoing the notice-and-comment procedures prescribed by
23 5 U.S.C. § 553 and that the GTO is arbitrary and capricious under 5 U.S.C. § 706(2)(A).
24 *Second*, the Court finds that Plaintiffs have suffered and will continue to suffer immediate
25 and irreparable harm absent a TRO, including the threat of business closure and the loss of
26 customers and goodwill. *See Stuhlbarg Int'l Sales Co. v. John D. Brush & Co.*,
27 240 F.3d 832, 841 (9th Cir. 2001). *Third*, the Court finds that the balance of equities favors
28 Plaintiffs and that the public interest is served by granting a TRO, as the requested relief

1 maintains the status quo without significantly intruding on Defendants' ability to continue
2 lawfully and faithfully regulating financial institutions.

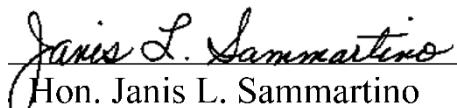
3 Accordingly, the Court **GRANTS** Plaintiffs' *Ex Parte* Motion for Temporary
4 Restraining Order (ECF No. 8). It is **ORDERED** that Defendants, and their officers,
5 agents, servants, employees, and all persons acting in concert or participation with them,
6 are temporarily enjoined from enforcing, implementing, or otherwise giving effect to the
7 Border GTO, as it applies to **ALL COVERED BUSINESSES, AS DEFINED BY THE**
BORDER GTO, THAT ARE LOCATED IN THE SOUTHERN DISTRICT OF
CALIFORNIA. The Court **DECLINES** to set a bond, which is permitted where, as here,
10 a public interest motivates the litigation and there is no apparent harm to Defendants from
11 the granting of Plaintiffs' request for relief. *See Barahona-Gomez v. Reno*, 167 F.3d 1228,
12 1237 (9th Cir. 1999).

13 As Plaintiffs indicate an intent to request a preliminary injunction, it is further
14 **ORDERED** that, as agreed to by the Parties during the hearing, Plaintiffs **SHALL** file
15 their forthcoming motion for preliminary injunction no later than April 29, 2025,
16 Defendants **SHALL** file their response no later than May 6, 2025, and Plaintiffs **MAY** file
17 their reply, if any, no later than May 9, 2025. The Court **SETS** a hearing on the anticipated
18 preliminary injunction motion for Thursday, May 15, 2025, at 9:00 a.m. PDT, in
19 Courtroom 4D of the Edward J. Schwartz United States Courthouse. The aforementioned
20 schedule is premised upon Defendants' representation that a full administrative record can
21 be compiled by Friday, April 25, 2025. If the April 25 target cannot be accomplished, the
22 Court will consider an adjustment to the schedule, as necessary.

23 This TRO **SHALL** expire, as agreed to by the Parties during the hearing, on May 20,
24 2025.

25 **IT IS SO ORDERED.**

26 Dated: April 22, 2025


27 Hon. Janis L. Sammartino
28 United States District Judge