

Texas Judge Denies Emergency Injunction in Chamber of Commerce Fiduciary Rule Case

A Texas judge has denied an emergency injunction request by the U.S. Chamber of Commerce, Financial Services Institute, and other plaintiffs who sued the Department of Labor to block the regulation that seeks to eliminate conflicted retirement investment advice and redefines who is considered an investment advice fiduciary. The fiduciary rule is scheduled to begin implementation on April 10th unless the recently proposed [60-day delay](#) is enacted.

Judge Barbara M.G. Lynn of the Northern District of Texas ruled in favor of the Labor Department on February 8th and denied a same-day request from the Justice Department to postpone the ruling in light of President Trump's February 3rd memo instructing the DOL to review and possibly delay the regulation. The plaintiffs, who are currently appealing Judge Lynn's decision, [filed emergency motions](#) for injunction pending appeal last week.

When granting an injunction pending appeal, the court considered four factors: 1) the likelihood that the party requesting the motion will ultimately prevail on the merits of the appeal; 2) the extent to which that party would be irreparably harmed by denial; 3) the potential harm to opposing parties if the injunction is issued; and 4) the public interest.

Judge Lynn said the plaintiffs have not met their burden to satisfy the four factors required to obtain the injunction.

"This court has already found plaintiffs' position on the merits unpersuasive, two other district courts have reached the same conclusion in similar cases, and neither court has

enjoined enforcement of the rules,” said Judge Lynn.

The DOL recently announced it would not initiate immediate [enforcement action](#) on the rule even if the April 10th applicability date is not delayed due to concerns expressed by financial services institutions about the uncertainty surrounding the proposed rule delay.

As reported by The DI Wire, the [comment period](#) for the proposed 60-day delay closed last Friday, and the DOL received 565 individual comments and 12 petitions both for and against the controversial rule.

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