

Banking and Finance Law Daily Wrap Up, FEDERAL RESERVE SYSTEM—D.D.C.: President Trump opposes Cook’s TRO bid; Fed signals neutral role in case, (Sept. 2, 2025)

Banking and Finance Law Daily Wrap Up

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By Shashi Kant, BALLB, LLM.

After Fed Governor Lisa Cook legally challenged the president’s authority to remove her, President Trump defends his broad “for cause” authority while the Federal Reserve Board seeks a prompt ruling in the dispute.

In the wake of Federal Reserve Board Governor Lisa Cook’s lawsuit challenging the President’s authority to remove her, President Donald Trump filed his [opposition](#) to Cook’s motion for a temporary restraining order (TRO). Meanwhile, the Fed and Chairman Jerome Powell filed a response [stating](#) that they would attend the TRO hearing but would not argue the merits. Explaining that they were named only to effectuate any judicial relief, the Fed and Powell request a prompt ruling and are committed to comply with any order of the court. (*Cook v. Trump*, No. 1:25-cv-02903-JMC (D.D.C. Aug. 29, 2025)).

Governing standard for TROs. The court filings outline the standard for a TRO, which requires a clear showing of four elements: likelihood of success on the merits; likelihood of irreparable harm without relief; a balancing of equities favoring the movant; and injunctive relief would be in the public interest. The filing emphasizes that courts may deny relief solely based on a failure to demonstrate irreparable harm.

Background; removal decision. The Federal Reserve Act provides that Governors serve fourteen-year terms unless sooner removed “for cause” by the president. Dr. Lisa Cook was appointed to the Fed in May 2022 to complete an unexpired term and was later nominated for a full term. On Aug. 20, 2025, the Director of the Federal Housing Finance Agency (FHFA) referred Dr. Cook to the Department of Justice concerning mortgage agreements executed in 2021. Each agreement represented a different property as her “principal residence.” The referral was made public, and President Trump stated that the alleged conduct supported a decision to removal her. Dr. Cook did not submit a response during the five-day interval following the referral. On Aug. 25, 2025, the President removed Dr. Cook “for cause” and explained his removal decision in an informal notice ([Banking and Finance Law Daily](#), Aug. 28, 2025).

Defendant’s arguments on merits. The opposition brief argues that the statutory term “for cause” grants the president broad discretion to remove a Fed Governor, and that any judicial review would necessarily be deferential to avoid interference with presidential authority over principal officers. He maintains that contradictory statements in financial documents provide sufficient cause to remove a senior financial regulator regardless of whether criminal charges are filed. The opposition further argues that courts should not examine the president’s motive where a facially valid ground for removal exists.

Defendant’s procedural arguments. The opposition brief further contends that Dr. Cook, as a senate-confirmed principal officer, had no protected property interest in her position that would give rise to due-process rights. The brief argues that the Federal Reserve Act imposes no requirement of pre-removal notice or hearing and that, in any event, President Trump provided adequate notice by publicizing the FHFA referral and waiting five days before removing Cook.

Defendant’s equitable arguments. On the element of irreparable harm, the opposition brief argues that Cook faces no imminent injury requiring emergency relief because the next Fed meeting is scheduled for September 16, after the expiration of a TRO’s default fourteen-day period. On the balance of equities, the brief cites recent Supreme Court and D.C. Circuit stays in officer-removal cases, arguing these demonstrate the judiciary’s reluctance to order reinstatement before resolution of the merits. The brief asserts that harms to institutional

independence are not personal to Cook and therefore do not qualify as irreparable harm. The opposition brief also warns that repeated cycles of removal and reinstatement during ongoing litigation would be disruptive to the institution.

Separately, in an unopposed motion, Azoria Capital, Inc., and James T. Fishback were granted leave (in a minute order) to file an [amicus brief](#) and accompanying [exhibit](#) in support of President Trump's stance.

Fed's position. The Fed clarifies that it was named as a defendant to ensure that complete relief could be provided if Cook prevails in her lawsuit. It points to the complaint's prayer for relief and motion papers seeking orders directed at the Fed. The Fed notes its independent litigation authority under the Federal Reserve Act, confirms its intention not to contest the merits of the TRO, and requests a prompt ruling. The Fed also commits to comply fully with any order issued by the court.

Plaintiff's position as described in opposition. As stated in the defendant's opposition, Cook argues that the statutory "for cause" language does not extend to pre-office conduct that has not been adjudicated as criminal, and that the President's true motive for removal was policy disagreement. She also asserts that she was entitled to notice and an opportunity to be heard before termination. On irreparable harm, she maintains that her removal damages the independence of the Federal Reserve and her professional reputation. The Defendant's opposition brief maintains that such institutional or reputational harms do not provide a sufficient basis for the TRO relief Cook is requesting.

Broader context. Other TRO applications have recently involved Federal Reserve functions. For example, Azoria Capital, Inc. recently applied to the District of Columbia federal district court to require the Federal Open Market Committee to open its July 29–30, 2025 meeting under the "Government in the Sunshine Act." The application alleged irreparable harm from being denied access to FOMC deliberations and claimed that the public interest favored transparency ([Banking and Finance Law Daily](#), July 25, 2025).

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Companies: Azoria Capital, Inc.

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