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11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13 STATE OF NEVADA ex rel. NEVADA
GAMING CONTROL BOARD,

14 Plaintiff,

15 vs.

16 KALSHIEX, LLC

17 Defendant.
18

Case No. 2:26-cv-00406-APG-MDC

**PLAINTIFF’S *EX PARTE* MOTION FOR
TEMPORARY RESTRAINING ORDER**

19 Plaintiff State of Nevada ex rel. Nevada Gaming Control Board (Board) files this *Ex Parte* Motion
20 for a Temporary Restraining Order against KalshiEX, LLC (Kalshi). The Board seeks this relief in order
21 to stop Kalshi’s continued unlawful activity in Nevada. Although the Court has determined that the Court
22 lacks jurisdiction over this state law enforcement action, the Court has retained jurisdiction over the case
23 while the Court considers Kalshi’s motion for a stay pending appeal. As a result, the state court is unable
24 to grant interim relief to the Board. Yet, as Chief Judge Gordon has found, every day that Kalshi operates
25 in Nevada imposes severe and irreparable harms on the State, its gaming industry, and the public. This
26 Court, as the only court currently with jurisdiction over the case, should grant interim relief to alleviate
27 the harms that Kalshi is actively perpetuating.

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1 Chief Judge Gordon held that Kalshi has no likelihood on the merits of its preemption defense in
2 November 2025 and denied its request for a stay in December 2025. Yet, by filing a flurry of motions in
3 state and federal court, Kalshi has been able to continue operating unfettered. The Court should enter a
4 TRO to stop Kalshi’s gamesmanship and to stop the ongoing, severe, and irreparable harms Kalshi is
5 imposing on the State and the public. Specifically, the Court should enter an order restraining and
6 enjoining Kalshi and any of its agents, employees, officers, or affiliates from operating a derivatives
7 exchange and prediction market that offers event-based contracts relating to sports, election, and
8 entertainment events to people within Nevada without obtaining all required Nevada gaming licenses,
9 and from allowing its market to accept wagers on those events from persons under the age of 21 in
10 Nevada.

11 **INTRODUCTION**

12 This case involves a civil enforcement action under Nevada state law brought by the Board to
13 enjoin Kalshi’s unlawful gambling operations in Nevada. The Board brought this case in state court as
14 state law requires and, after Kalshi removed the case to this Court, the Court concluded that Kalshi had
15 no valid basis for that removal. Kalshi is now attempting to appeal that order (and seeking a stay pending
16 appeal). In the meantime, Kalshi is continuing to operate in Nevada in violation of Nevada’s gaming
17 laws.

18 Because the Court has retained jurisdiction over the case pending resolution of Kalshi’s motion
19 for a stay pending appeal, the state court is unable to grant the Board any relief to stop Kalshi’s continued
20 unlawful operations. Thus, if the Court does not promptly remand the case to the state court, the Board
21 respectfully requests that this Court temporarily restrain and enjoin Kalshi from operating a derivatives
22 exchange and prediction market that offers event-based contracts relating to sports, election, and
23 entertainment events to people within Nevada without obtaining all required Nevada gaming licenses,
24 and from allowing its market to accept wagers on those events from persons under the age of 21 in
25 Nevada.

26 Issuance of an *ex parte* TRO on an emergency basis is warranted for several reasons. First, Kalshi
27 has been operating its unlawful prediction market in the State of Nevada, in violation of Nevada gaming
28 law, for over one year. Although Chief Judge Gordon found that Kalshi has no likelihood of success on

1 the merits and dissolved a preliminary injunction in Kalshi’s favor, and then Chief Judge Gordon and the
2 Ninth Circuit denied various stay motions by Kalshi, Kalshi continues to operate in violation of state law.
3 Indeed, Kalshi has stated in public filings that *it will not stop operations*—no matter how the Ninth Circuit
4 rules in its pending preliminary-injunction appeal—until an order is entered in an enforcement action
5 requiring it to comply with Nevada law. Second, in the past year, Kalshi has expanded its event contract
6 offerings and its market share in direct contravention of multiple court decisions determining that
7 Kalshi’s operations are likely illegal under state law. This expansion continues to this day. Third, recent
8 events have shown the dangers of prediction markets, the manipulation to which they are vulnerable, and
9 their lack of adherence to basic controls and regulation that ensure the integrity of their contracts and
10 protect the public. Fourth, four other prediction markets have ceased, in whole or in part, operations in
11 the State of Nevada. To the Board’s knowledge, Kalshi is the only prediction market operating
12 unrestrained in the State, which has led to perverse incentives for Kalshi, and which threatens the Board’s
13 ability to enforce Nevada gaming law evenhandedly across similarly situated companies. These are just
14 a few of the harms caused by Kalshi’s continued illegal operation in the State of Nevada. Undersigned
15 counsel has alerted Kalshi through email correspondence of the filing of this motion.

16 This motion is made pursuant to Federal Rule of Civil Procedure 65(b) and is based upon the
17 following points and authorities, the Declaration of Jessica E. Whelan, all papers on file herein, and any
18 oral argument this Court permits.

19 BACKGROUND

20 I. The State Comprehensively Regulates Gaming in Nevada

21 Nevada’s gaming industry is “vitaly important to the economy of the State and the general
22 welfare of the inhabitants.” NRS § 463.0129(1)(a). The gaming industry contributes over \$2 billion in
23 taxes—over one-third of Nevada’s general fund. Nev. Resort Ass’n, *2025 Nevada Gaming Fact Book 2*
24 (2025), perma.cc/NRH9-5NGV. The Nevada Legislature has found that the continued growth and
25 success of gaming “is dependent upon public confidence and trust that licensed gaming” is “conducted
26 honestly and competitively.” NRS 463.0129(1)(b). And the Legislature has made clear that “[p]ublic
27 confidence and trust can only be maintained by *strict* regulation of all persons, locations, practices,
28 associates, and activities related” to the operation of gaming in Nevada. NRS § 463.0129(1)(c) (emphasis

1 added). The Board is statutorily charged with administering and enforcing Nevada gaming law. NRS
2 § 463.140(1).

3 “Gaming” in Nevada is synonymous with “gambling” and includes any regulated game. NRS
4 § 463.0153. A “game” subject to regulation in Nevada includes “any game played with . . . equipment or
5 any mechanical or electronic device or machine for money . . . or any representative of value” that is
6 accessible in Nevada. NRS § 463.0152. The games subject to regulation in Nevada include “percentage
7 game[s].” *Id.* A “percentage game” exists where the “house” does not directly participate in a wager and
8 its only stake is a commission derived from the wager. *See Hughes Props. v. State*, 680 P.2d 970, 971
9 (Nev. 1984). Gaming includes operating a “sports pool,” which is “the business of accepting wagers on
10 sporting events or other events by any system or method of wagering,” NRS § 463.0193; a “wager” is “a
11 sum of money or representative of value that is risked on an occurrence for which the outcome is
12 uncertain,” NRS § 463.01962.

13 Nevada law comprehensively regulates entities that conduct gaming activities in the State. Every
14 such entity is subject to a rigorous licensing process. NRS § 463.160(1). Licensed entities must pay taxes
15 on gross gaming revenue derived from gaming activities accessible in the State. NRS § 463.373. Licensed
16 entities accepting wagers from persons in the State of Nevada also must have a physical location in
17 Nevada. Nev. Gam’g Comm. Reg. 22.060(2). Licensed entities may not accept wagers from those under
18 21 years of age. NRS § 463.350. Further, licensed entities accepting wagers on sporting events must
19 employ safeguards to ensure that wagers are not being placed on an event by owners, coaches, players,
20 or officials participating in the event, and must communicate with Nevada gaming regulatory authorities
21 about potential evidence of match fixing or point shaving. *See Nev. Gam’g Comm. Reg. 22.1205(2)*.
22 Being unable to enforce these laws would severely weaken the State’s ability to strictly regulate gaming
23 and would jeopardize the growth and integrity of Nevada’s gaming industry.

24 **II. Kalshi’s Market is a Gambling Game and/or Sports Pool and Accepts Wagers from Persons**
25 **in Nevada**

26 Kalshi operates a market that offers event-based contracts relating to sporting and other events.
27 ECF No. 8-1 (Compl.) ¶ 20. These events include, but are not limited to, college basketball games,
28 college and professional football games, elections, and entertainment events such as the Oscars. *Id.* Sports

1 contracts comprise over 95% of Kalshi’s business. Sam Learner, *Prediction Markets Barely Make*
2 *Money; Sportsbooks Make Money*, Fin. Times (Dec. 19, 2025), perma.cc/CB9N-SN6P.

3 Kalshi’s contracts are wagers under NRS § 463.01962: Kalshi’s market allows persons located in
4 Nevada to risk money on sporting events and elections, and the outcomes of sporting events and elections
5 are, by their very nature, uncertain. *See, e.g., Kalshi, Men’s College Basketball Champion*,
6 perma.cc/J24E-BZ73. Kalshi offers exactly the same type of wagers as licensed sportsbooks, including
7 prop bets (bets on outcomes within a game, such as the total number of points scored) and parlays
8 (chained bets on one or more outcome). As Chief Judge Gordon recognized, Kalshi’s sports-related event
9 contracts “are sports wagers and everyone who sees them knows it.” *KalshiEX, LLC v. Hendrick*, 2025
10 WL 3286282, at *8 (D. Nev. Nov. 24, 2025), *appeal pending*, No. 25-7516 (9th Cir. filed Nov. 25, 2025).
11 Kalshi consequently operates a “sports pool” under Nevada law. NRS § 463.0193. Indeed, over ninety
12 percent of Kalshi’s revenues are from sports contracts, and Kalshi advertises its products as “sports
13 betting.” Compl. ¶¶ 20, 22. Further, Kalshi takes a commission, or percentage, on the wagers placed
14 through its market. *See Kalshi, Kalshi Fee Schedule*, perma.cc/BZ3L-MYM5. Kalshi accordingly offers
15 a “percentage game”—a type of “gambling game”—under Nevada law. NRS § 463.0152.

16 A person can access Kalshi’s market through its website or mobile app. Compl. ¶ 18. Kalshi uses
17 computers and servers to make its event-based contracts available on its website and mobile app. *Id.* A
18 person enters into an event-based contract on Kalshi’s market with the payment of money. *Id.*

19 **III. Kalshi’s Activities in Nevada Cause Harm to Nevada**

20 Although Kalshi conducts gaming activity in Nevada, including by operating a sports pool, Kalshi
21 does not comply with Nevada gaming law. Among other things, Kalshi has not undergone Nevada’s
22 rigorous licensing process to obtain a gaming license. Compl. ¶ 28. It accordingly does not possess a
23 Nevada license to conduct gaming activities, including operating a sports pool. *Id.* ¶¶ 40–41. Further,
24 Kalshi does not pay taxes on gross gaming revenue generated from wagers placed by persons in Nevada.
25 *Id.* ¶ 30. And Kalshi does not have a physical location in Nevada. *Id.* ¶ 32.

26 Kalshi also does not comply with the various regulations on gaming that Nevada has imposed to
27 protect Nevada and its citizens. Kalshi does not require its patrons to be at least 21 years of age to place
28 a wager in its markets, Compl. ¶ 34; instead, it allows anyone over the age of 18 to trade on its platform,

1 *see* Kalshi Help Center, *Signing Up as an Individual*, perma.cc/K7D8-GA8X. To the Board’s knowledge,
2 Kalshi does not employ adequate safeguards to ensure that wagers are not being placed on an event by
3 owners, coaches, players, or officials participating in the event, and does not communicate about potential
4 evidence of match fixing or point shaving to Nevada regulatory authorities. Compl. ¶ 36.

5 **IV. Procedural History**

6 On March 4, 2025, the Board sent Kalshi a cease-and-desist letter directing it stop offering
7 contracts based on sports and election events in Nevada unless and until it receives a license from the
8 Nevada Gaming Commission. Compl. ¶ 61. On March 28, 2025, Kalshi filed a complaint for permanent
9 injunctive and declaratory relief in this Court, alleging that the Commodity Exchange Act preempts
10 Nevada gaming laws. *See* Compl., *KalshiEX LLC v. Hendrick*, No. 25-cv-575 (D. Nev. Mar. 28, 2025)
11 (ECF No. 1). Kalshi contemporaneously filed a motion for a preliminary injunction and declaratory relief.
12 *See* Mot., *KalshiEX, supra* (ECF No. 18). On April 9, 2025, Chief Judge Gordon granted Kalshi’s motion
13 for a preliminary injunction on an expedited basis. *See* Order, *KalshiEX, supra* (ECF No. 45). That
14 injunction prohibited the Board from taking any action against Kalshi for its contracts in Nevada for the
15 time period when it was in effect.

16 On May 20, 2025, the Board issued North American Derivatives Exchange, Inc., d/b/a
17 Crypto.com (Crypto.com) a letter to cease and desist offering contracts based on sports and election
18 events unless and until it receives a license from the Nevada Gaming Commission. *See* Compl. Ex. A, *N.*
19 *Am. Derivatives Exchange, Inc. v. Nevada (Crypto.com)*, No. 25-cv-978 (D. Nev. June 3, 2025) (ECF
20 No. 1-2). On June 3, 2025, Crypto.com filed a complaint for permanent injunctive relief and declaratory
21 relief in this Court on the same legal grounds as Kalshi. *See* Compl., *Crypto.com, supra* (ECF No. 1).
22 Crypto.com also filed a motion for a preliminary injunction. *See* Mot., *Crypto.com, supra* (ECF No. 15).
23 Chief Judge Gordon denied Crypto.com’s motion for a preliminary injunction. *See* *Crypto.com*, 2025
24 WL 2916151 (D. Nev. Oct. 14, 2025), *appeal pending*, No. 25-7187 (9th Cir. filed Nov. 14, 2025).
25 Crypto.com has appealed. While the appeal is pending, Crypto.com has agreed not to offer sports-based
26 contracts to Nevada residents. *See* Notice, *Crypto.com, supra* (ECF No. 110).

27 On October 17, 2025, the Board filed a motion to dissolve Kalshi’s preliminary injunction. *See*
28 Mot., *KalshiEX, supra* (ECF No. 142). On November 25, 2025, Chief Judge Gordon granted that motion

1 and dissolved the preliminary injunction that had prohibited the Board from enforcing Nevada gaming
2 law against Kalshi with respect to its sports and election contracts. *See KalshiEX*, 2025 WL 3286282.¹
3 Kalshi has appealed the federal court’s order dissolving the preliminary injunction, and that appeal
4 remains pending. On November 25, 2025, Kalshi filed a motion for an injunction pending appeal with
5 the district court, *See Mot., KalshiEX, supra* (ECF No. 238); the district court denied that motion, Order,
6 *KalshiEX, supra* (ECF No. 258). On December 17, 2025, Kalshi filed a motion for an injunction pending
7 appeal with the Ninth Circuit, *Mot., KalshiEX, LLC v. Hendrick*, No. 25-7516 (9th Cir. Dec. 17, 2025)
8 (ECF No. 17); the Ninth Circuit motions panel referred the motion to the merits panel, and the merits
9 panel has not ruled on the motion.

10 During the pendency of its appeal, Kalshi dramatically expanded its operations. It started offering
11 bets on even more sporting events, including amateur soccer in Spain and the Japanese basketball B
12 League. *See* Dustin Gouker, *Kalshi Now Lets You Bet on Dozens of International Soccer and Basketball*
13 *Leagues*, Event Horizon (Jan. 26, 2026), perma.cc/448F-B2QL. It has also expanded its marketing push,
14 including by taking out an enormous billboard on the Las Vegas Strip to encourage betting on its platform
15 for the Super Bowl. *See* @vegasstarfish, *Kalshi Taking Over Las Vegas*, YouTube (Feb. 5, 2026), [bit.ly/](https://bit.ly/4ku6iGb)
16 [4ku6iGb](https://bit.ly/4ku6iGb). Those efforts have led to a surge in users and trading volumes. In January, Kalshi’s app was
17 downloaded over 3 million times—more than for both DraftKings or FanDuel combined. *See* Ira
18 Boudway & Denitsa Tsekova, *Kalshi Downloads Zoom Past Gambling Apps Ahead of Super Bowl*,
19 Bloomberg (Feb. 5, 2026), perma.cc/U2AF-ND5U. Kalshi’s 30-day volume has hit over \$10 billion in
20 wagers. Dustin Gouker, *The Handle: Inside Kalshi’s First \$10 Billion Month*, The Closing Line (Feb.
21 10, 2026), perma.cc/E4G5-6XLZ.

22 Kalshi reported over \$1 billion in wagers on Super Bowl Sunday alone—over 27 times more than
23 it reported for the Super Bowl in 2025. Anna Betts, *Prediction Market Kalshi Reached \$1bn in Trading*
24 *Volume During Super Bowl*, The Guardian (Feb. 10, 2026), perma.cc/KDU4-ER7R. In contrast, betting
25 volumes on the Super Bowl at Nevada’s regulated sportsbooks declined nearly 15% from 2025, hitting a
26

27 ¹ Chief Judge Gordon also denied a preliminary injunction to Kalshi’s partner, Robinhood
28 Derivatives LLC. *See Robinhood Derivatives LLC v. Dreitzer*, 2025 WL 3283308, at *2 (D. Nev. Nov.
25, 2025). Robinhood has agreed to stop offering contracts in Nevada while its motion for an injunction
pending appeal is pending.

1 ten-year low. Sam McQuillan, *Super Bowl Betting Results Mask Game's Real Financial Story*, Legal
2 Sports Report (Feb. 10, 2026), perma.cc/8HZX-MPWH. So Kalshi has massively expanded its
3 unlicensed gambling business, to the detriment of competitors that are licensed in Nevada.

4 During this period, the Board has filed civil enforcement actions in this state court against
5 Blockratize Inc. d/b/a Polymarket, QCX LLC d/b/a Polymarket US, and Adventure One QSS Inc. d/b/a
6 Polymarket (Polymarket) and Coinbase Financial Markets, Inc. (Coinbase), entities that, like Kalshi,
7 allow users to wager on sports and other events through event-based contracts. On January 29, 2026, a
8 state judge entered a temporary restraining order against Polymarket, and on February 5, 2026, another
9 judge entered a temporary restraining order against Coinbase. *See Nevada v. Blockratize, Inc.*, No. 26-
10 OC-00012-1B (Nev. 1st JD Jan. 29, 2026) (Polymarket Op.); *Nevada v. Coinbase Financial Markets,*
11 *Inc.*, No. 26-OC-00030-1B (Nev. 1st JD Feb 5, 2026) (Coinbase Op.). The orders prohibit Polymarket
12 and Coinbase from offering event-based contracts on sporting and other events in Nevada without gaming
13 licenses. The courts held that Polymarket's and Coinbase's unlicensed operations likely violate Nevada's
14 gaming laws, that the Commodity Exchange Act likely does not preempt those laws, and that
15 Polymarket's and Coinbase's unlicensed operations cause immediate and irreparable injury to the State
16 of Nevada, the gaming industry, and the public. Polymarket Op. 4–6; Coinbase Op. 3–6.

17 On February 10, 2026, the Board informed the Ninth Circuit that it intended to file a civil
18 enforcement action against Kalshi in state court on February 17, 2026. *See Notice, KalshiEX, LLC v.*
19 *Hendrick*, No. 25-7516 (9th Cir. Feb. 10, 2026) (ECF No. 60.1). On February 11, 2026, Kalshi filed a
20 motion for an administrative stay with the Ninth Circuit. On February 17, the Ninth Circuit denied
21 Kalshi's motion. Order, *KalshiEX, LLC v. Hendrick*, No. 25-7516 (9th Cir. Feb. 10, 2026) (ECF No.
22 69.1).

23 Also on February 17, 2026, the Board filed this action in state court to obtain a declaration from
24 that court that Kalshi is violating Nevada law and an injunction ordering Kalshi to cease its violations of
25 Nevada law. *See Compl.* 10–11. The Board also filed an Ex Parte Application for Immediate Temporary
26 Restraining Order and Motion for Preliminary Injunction, seeking preliminary relief prohibiting Kalshi
27 and any of its agents, employees, officers, or affiliates from operating a market that offers event-based
28 contracts relating to sporting and other events to people within Nevada without obtaining the required

1 Nevada gaming licenses, and prohibiting Kalshi from allowing its market to accept wagers from persons
2 under the age of 21 in Nevada.

3 That same day, Kalshi removed this case to this Court. ECF No. 1. The Board filed a motion to
4 remand. *See* ECF No. 10. After expedited briefing and a hearing, on March 2, 2026, this Court determined
5 it lacked subject matter jurisdiction and remanded the case to state court. *See* ECF No. 45. On March 3,
6 2026, Kalshi filed an emergency motion to stay the federal court’s remand order. *See* ECF No. 49. The
7 Court recalled the remand pending the resolution of Kalshi’s motion for a stay pending appeal. *See* ECF
8 No. 50. The Board has filed a brief opposing Kalshi’s motion for a stay pending appeal, explaining that
9 Kalshi’s asserted bases of removal are insubstantial and that the balance of equities heavily favors the
10 Board. *See* ECF No. 53.

11 LEGAL STANDARD

12 Federal Rule of Civil Procedure 65(b) authorizes a court to issue an *ex parte* temporary restraining
13 order. The standard for issuing a temporary restraining order is “substantially identical” to the standard
14 for issuing a preliminary injunction. *Stuhlbarg Int’l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 839
15 n.7 (9th Cir. 2001); *see, e.g., LIT Ventures, LLC v. Carranza*, 457 F. Supp. 3d 906, 908 (D. Nev. 2020).
16 A court should grant such relief if the movant demonstrates that (1) it is likely to succeed on the merits,
17 (2) it is likely to suffer irreparable harm in the absence of preliminary relief, (3) the balance of equities
18 tips in its favor, and (4) preliminary relief is in the public interest. *Beaty v. Brewer*, 649 F.3d 1071, 1072
19 (9th Cir. 2011) (citing *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2009)).

20 ARGUMENT

21 Kalshi has been willfully circumventing the Nevada law that requires that all gaming activity in
22 the State be licensed and strictly regulated. Kalshi operates a “sports pool” and/or “gambling game” under
23 Nevada law. Yet Kalshi does not possess a Nevada license to operate a sports pool or conduct other
24 gaming activity in Nevada. Kalshi also does not follow many of the restrictions on licensed gaming in
25 the State. In particular, Kalshi allows persons under 21 years of age to wager on its market. Accordingly,
26 the Board is entitled to a temporary restraining order prohibiting Kalshi from operating a market that
27 offers event-based contracts relating to sports-, election- and entertainment-related events to people in
28 Nevada without obtaining all required Nevada gaming licenses, and prohibiting Kalshi from allowing its

1 market to accept wagers on those events from persons under the age of 21 in Nevada. As the Court has
2 retained jurisdiction over the case, this Court is the only court that can grant that relief. *See E. Bay*
3 *Sanctuary Covenant v. Barr*, 500 F. Supp. 3d 1030, 1037 (N.D. Cal. 2020) (district court may issue
4 preliminary relief “even when subject matter jurisdiction is disputed or unclear”). The Court should not
5 allow Kalshi to benefit from its gamesmanship to continue violating Nevada law with impunity,
6 particularly after Chief Judge Gordon found it has no likelihood of success on the merits, and the balance
7 of harms weigh heavily in favor of the Board.

8 **I. The Board Is Likely to Succeed on the Merits of Its Claims**

9 The Board is likely to succeed in showing that Kalshi violates, at a minimum, NRS §§ 463.160,
10 463.350, 465.086, and 465.092.

11 Kalshi violates NRS § 463.160. Pursuant to NRS § 463.160, it is unlawful for a person to expose
12 a game or a sports pool for play in Nevada without the required gaming licenses. Kalshi’s market exposes
13 a percentage game and/or sports pool for play in Nevada. Compl. ¶¶ 19–25; *see KalshiEX*, 2025 WL
14 3286282, at *8 (concluding that Kalshi’s sports-related event-based contracts “are sports wagers and
15 everyone who sees them knows it”); Polymarket Op. 5; Coinbase Op. 3–4. Kalshi does not possess a
16 Nevada gaming license either to offer a percentage game or to operate a sports pool in Nevada. Compl.
17 ¶¶ 40–41. Accordingly, Kalshi has violated and continues to violate NRS § 463.160.

18 Kalshi violates NRS § 463.350. Pursuant to NRS § 463.350, a person under the age of 21 may
19 not play, be allowed to play, place wagers at, or collect winnings from any game or sports pool. Kalshi’s
20 market constitutes a percentage game and/or sports pool. Compl. ¶¶ 19–25. Yet Kalshi’s market does not
21 restrict persons under the age of 21 from participating. *Id.* ¶ 34. Accordingly, Kalshi has violated and
22 continues to violate NRS § 463.350.

23 Kalshi violates NRS § 465.086. Pursuant to NRS § 465.086(1), it is unlawful for any person to
24 directly or indirectly receive any compensation or any percentage or share of the money played for
25 accepting or facilitating any wager upon the result of any sporting event without a gaming license. Kalshi
26 is not licensed to accept wagers in Nevada. Compl. ¶ 48. Kalshi’s market accepts wagers in Nevada. *Id.*
27 ¶ 49. In addition to accepting wagers on the results of sporting events, elections, and entertainment events,
28 Kalshi’s market facilitates wagers on such events between individual participants in its market. *Id.* ¶ 50.

1 Kalshi takes a percentage of money wagered through its market in the form of commissions styled as
2 “trading fees.” Kalshi, *Kalshi Fee Schedule*, perma.cc/BZ3L-MYM5. Accordingly, Kalshi has violated
3 and continues to violate NRS § 465.086.

4 Kalshi violates NRS 465.092. Pursuant to NRS § 465.092, it is unlawful for a person to knowingly
5 accept a wager from a person inside of Nevada through a medium of communication unless the person
6 accepting the wager is licensed pursuant to Nevada law and complies with applicable Nevada laws and
7 regulations concerning wagering. Kalshi’s market accepts wagers on sporting events and other events,
8 including elections and entertainment events. Compl. ¶ 55. Kalshi’s market accepts wagers from persons
9 inside of Nevada. *Id.* ¶ 56. The Internet is a medium of communication. NRS § 465.091. Kalshi’s market
10 uses the internet for wagering activities. Compl. ¶ 58. Accordingly, Kalshi has violated and continues to
11 violate NRS § 465.092.

12 For at least these reasons, Kalshi is violating Nevada gaming law.

13 **II. The Board Is Suffering and Will Continue to Suffer Immediate and Irreparable Harm**
14 **Absent Relief**

15 Chief Judge Gordon has found that every day Kalshi operates in violation of Nevada law imposes
16 “substantial irreparable harms to the Board, the State of Nevada, the gaming industry in this state, and
17 the public interest.” *KalshiEX*, 2025 WL 3286282, at *13. Two state court judges have similarly
18 determined that the Board suffers immediate and irreparable harm when an unlicensed entity allows
19 persons within Nevada to wager on sports and other events through event-based contracts in violation of
20 Nevada law. *Polymarket Op.* 6–7; *Coinbase Op.* 5–6. As one judge explained, “every day” matters “in a
21 literal sense” in these cases: “A day means more consumers. More consumers mean more transactions.
22 More transactions mean more potential harm.” *Polymarket Op.* 7.

23 Those conclusions are correct. The Board suffers serious and irreparable harm every day that
24 Kalshi operates its market in violation of Nevada law. The Nevada Legislature has enacted a
25 “comprehensive regulatory structure, coupled with strict licensing standards” to ensure the integrity of
26 gaming in the State. NRS § 463.745. The Board is statutorily charged with enforcing Nevada gaming law
27 and overseeing Nevada’s gaming industry, to protect the reputation of the State of Nevada, to protect the

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1 reputation of gaming in Nevada, and to protect the public health, safety, morals, good order, and general
2 welfare of the inhabitants of Nevada. NRS §§ 463.0129(1)(d); 463.140(1).

3 Kalshi's failure to comply with Nevada gaming law impairs the Board from carrying out its
4 statutory functions. The Board has the obligation to "consistently and equitably" enforce Nevada gaming
5 law to "protect the health, safety, morals, good order, and general welfare of gaming consumers."
6 Polymarket Op. 6; *see* Coinbase Op. 5. Kalshi, as "[a]n unlicensed participant beyond the Board's
7 control," obstructs the Board's ability to fulfill its statutory duties. Polymarket Op. 6.

8 Kalshi's operations threaten the integrity of gaming. For example, to ensure that wagering is fair,
9 Nevada gaming regulations prohibit accepting wagers on sporting events from owners, coaches, players,
10 officials, or other participants in the event and require licensees to take reasonable steps to avoid
11 circumvention of this regulation. Nev. Gam'g Comm. Reg. 22.1205(2). Licensed sports books also must:
12 (1) obtain certain identification information from patrons who place wagers of a certain size; (2) prevent
13 multiple wagers designed to circumvent the identification requirements for wagers of a certain size; and
14 (3) prevent wagers structured to circumvent the identification requirements. Nev. Gam'g Comm. Reg.
15 22.061, 22.062, and 22.063. Further, licensed sports books must communicate with the Board about
16 potential evidence of match fixing or point shaving. *See id.* at 22.121. To the Board's knowledge, Kalshi
17 does not adhere to these requirements, which harms the Board by preventing it from ensuring the integrity
18 of gaming in the State. These concerns have become even more acute since this suit was filed, with, for
19 example, reports indicating that Kalshi and Polymarket users placed wagers that Iran's leader would be
20 out of power shortly before the United States and Israel took military action against the county. *See* Kevin
21 T. Dugan & Krystal Hur, *Bets on Fate of Iran's Khamenei Spark Uproar at Leading Prediction Markets*,
22 Wall St. J. (Mar. 1, 2026), <https://bit.ly/4u7rFBd>.

23 Kalshi's failure to comply with Nevada gaming law gives it a massive and unfair competitive
24 advantage over its competitors, which greatly disrupts the gaming industry. That advantage is both
25 pecuniary, in that Kalshi does not need to spend the money its competitors need to spend on licensing
26 fees, taxes, and compliance (including maintaining a physical location in Nevada), as well as strategic,
27 in that Kalshi's products are not subject to the same requirements as its competitors. The Board suffers
28 irreparable harm when Kalshi is able to distort the playing field and disrupt the industry in this manner.

1 *KalshiEX*, 2025 WL 3286282, at *13–14; see *Hotel Emps. & Rest. Emps. Int’l Union v. Nev. Gaming*
2 *Comm’n*, 984 F.2d 1507, 1509 (9th Cir. 1993).

3 The harm only increases the longer Kalshi is allowed to operate unfettered. Kalshi’s ability to
4 profit from unlicensed gaming will incentivize others to enter into prediction markets instead of becoming
5 (or remaining) licensed by the State. Indeed, that already has started to happen: DraftKings and FanDuel
6 have decided to forgo licensing in Nevada so that they can enter the prediction-markets business in other
7 States. See *KalshiEX*, 2025 WL 3286282, at *14. Other sportsbooks could follow suit, “unleashing even
8 more unregulated gambling.” *Id.*

9 Notably, to the Board’s knowledge, Kalshi is the only prediction market operating in Nevada
10 without restrictions. The Board reached agreements with both Crypto.com and Robinhood for them to
11 restrict their operations in Nevada while they appeal Chief Judge Gordon’s decisions denying them
12 preliminary injunctions. Notice, No. 25-cv-978 (ECF No. 110); Notice, No. 25-cv-1541 (ECF No. 91).
13 And the Board has obtained TROs from the state courts against Polymarket and Coinbase. Polymarket
14 Op. 1; Coinbase Op. 1. Allowing Kalshi to continue operating thus only serves to further distort the
15 market in its favor.

16 In sum, the harms caused by Kalshi are ongoing, serious, and irreparable. Yet Kalshi has made
17 clear that it will not stop its violations of Nevada law unless and until restrained by a court order: It told
18 Chief Judge Gordon that the only thing that “could affect Kalshi’s ongoing operations in the State” is if
19 the Board takes “enforcement measures” against it. Reply in Further Supp. of Mot. to Stay Proceedings
20 9, *KalshiEX*, *supra* (ECF No. 262). That confirms that an order from this Court is required to stop Kalshi
21 from continuing to harm the State.

22 **III. The Public Interest Weighs Heavily in Favor of Granting an *Ex Parte* Temporary** 23 **Restraining Order**

24 The public interest similarly weighs in favor of enjoining Kalshi from violating Nevada gaming
25 law. The Legislature has determined that “[p]ublic confidence and trust can only be maintained by strict
26 regulation of all persons, locations, practices, associations and activities related to the operation of
27 licensed gaming establishments.” NRS § 463.0129(1)(c). “All establishments where gaming is
28 conducted . . . must therefore be licensed, controlled and assisted to protect the public health, safety,

1 morals, good order and general welfare of the inhabitants of the State.” NRS § 463.0129(1)(d). The
2 Legislature thus has determined that the public interest requires *all* gaming operators to be licensed and
3 to follow Nevada gaming law. Any gaming business, including Kalshi, that does not comply with Nevada
4 gaming law poses a threat to this vital industry. *See* Polymarket Op. 6; Coinbase Op. 5.

5 In particular, Kalshi does not adhere to the consumer-protection requirements in Nevada law. To
6 start, Kalshi’s operations harm some of Nevada’s most vulnerable residents. Nevada law prohibits
7 persons under 21 from placing sports wagers, NRS § 463.350(1)(a), but Kalshi does not require its
8 participants to be 21 years of age. Nevada law also protects those suffering from problem gaming by
9 requiring, among other measures, that gaming licensees letting patrons set deposit limits, “conspicuously
10 display” information about responsible-gaming resources, train employees to identify signs of problem
11 gaming, and refrain from marketing to customers who have excluded themselves. Nev. Gam’g Comm.
12 Reg. 5.225(18)(a)–(b). To the Board’s knowledge, Kalshi does not adhere to these requirements to the
13 extent required by Nevada law. Instead, Kalshi describes its platform as “kind of addicting.” Dustin
14 Gouker, *Kalshi Says It’s ‘Kind of Addicting’ In Instagram Post*, Event Horizon (Oct. 21, 2025),
15 perma.cc/5DWW-4LKE. Kalshi’s counsel has disclaimed a desire for any consumer-protection limits:
16 “People are adults,” and “they’re allowed to spend their money however they want it, and if they lose
17 their shirt, that’s on them.” Danny Funt, *America’s Betting Craze Has Spread to Its News Networks*, New
18 Yorker (Dec. 12, 2025), perma.cc/77H2-RH96.

19 Kalshi’s operations further harm the gaming public because Kalshi does not participate in the
20 State’s process to resolve patron disputes. *See* NRS § 463.362 *et seq.* Patrons of licensed gaming
21 establishments may utilize a process with the Board to resolve disputes related to wagering activities. But
22 this structure is in place only for disputes between a Nevada licensee and its patron. NRS § 463.362. A
23 person entering a wager through an event contract available on Kalshi’s market is not a patron of a
24 Nevada licensee and, thus, pursuant to the applicable statutes, has no recourse should there be a dispute
25 over the wager. Kalshi’s market thus harms the public interest because it does not provide adequate
26 protection to purchasers of event contracts.

27 Kalshi also harms the State’s economy and the public fisc. Licensed gaming is “vitaly important
28 to the economy of the State and the general welfare of the inhabitants.” NRS § 463.0129(1)(a). All

1 licensed gaming operators must pay taxes, *see* NRS § 463.370—revenues that finance “indispensable”
2 State functions, from schools to highways, *Sacco v. State*, 784 P.2d 947, 949 (Nev. 1989). Indeed, the
3 gaming industry contributes over \$2 billion in taxes, representing over one-third of Nevada’s general
4 fund. Nev. Resort Ass’n, *2025 Nevada Gaming Fact Book 2* (2025), perma.cc/NRH9-5NGV. Kalshi’s
5 unlicensed gaming operations threatens that revenue, by evading taxes and diverting business from
6 licensed sports books that pay taxes, and thus “represents a serious threat to the state’s economic base.”
7 *Sacco*, 784 P.2d at 949. As Chief Judge Gordon explained, allowing Kalshi to continue its unlawful
8 gaming activities risks “devastating the Nevada economy and related tax revenues.” *KalshiEX*, 2025 WL
9 3286282, at *14. The public interest thus weighs decisively in favor of temporarily enjoining Kalshi. *See*
10 *Polymarket Op. 7*; *Coinbase Op. 7*.

11 **IV. The Balance of Hardships Weighs in Favor of the Board**

12 Compared to the ongoing, severe, irreparable harm that Kalshi’s market causes to the Board and
13 to the State, any harms that Kalshi claims to suffer from an injunction are insignificant. Indeed, the Board
14 seeks only for Kalshi to follow Nevada gaming law, and following the law is not a harm. *See Goldman*
15 *v. Newage Lake Las Vegas, LLC*, 2019 WL 13254890, at *1 (D. Nev. Oct. 23, 2019).

16 Kalshi has argued that federal law preempts Nevada gaming law, and that it is harmed by being
17 required to follow preempted law. But Chief Judge Gordon concluded that Kalshi is unlikely to prevail
18 on this argument. *KalshiEX*, 2025 WL 3286282, at *6–12. Two state court judges also have concluded
19 that federal law likely does not preempt state gaming law. *Polymarket Op. 5–6*; *Coinbase Op. 4–5*.

20 In any event, Chief Judge Gordon explained, Kalshi does not face irreparable harm. All other
21 sportsbooks comply with state law, either by becoming licensed or by limiting their operations to restrict
22 offerings in Nevada, and Kalshi can do that too. *KalshiEX*, 2025 WL 3286282, at *12. Kalshi just wants
23 to make more money; all of its harms are self-inflicted and therefore are not irreparable. *Id.* at *13. Kalshi
24 started offering sports contracts despite an express federal prohibition on those contracts. *See* 17 C.F.R.
25 § 40.11(a). Then it chose to forge ahead with an untested preemption theory, even though the district
26 court warned Kalshi that it was “proceeding at its own risk and creating its own harms.” *KalshiEX, LLC*
27 *v. Hendrick*, 2025 WL 1073495, at *8 (D. Nev. Apr. 9, 2025), *order dissolved*, 2025 WL 3286282 (D.
28 Nev. Nov. 24, 2025). Even after Chief Judge Gordon ruled against Kalshi, Kalshi dramatically expanded

1 its operations, including by launching new series of sports wagers, entering into additional partnerships,
2 and aggressively marketing its platform, leading to record downloads and betting volumes. *See supra* pp.
3 4–5. Any claimed harms from being required to stop operating are “largely monetary”—“essentially that
4 [the company] will not be able to profit from [its] trades”—and pale in comparison to the harms to the
5 Board. *KalshiEX*, 2025 WL 3286282, at *12. The balance of harms thus weighs heavily in the Board’s
6 favor. *Id.* at *13; *see* Polymarket Op. 7; Coinbase Op. 7.

7 **V. No Security Is Required**

8 Federal Rule of Civil Procedure 65(c) requires a party seeking a TRO or preliminary injunction
9 to “give[] security in an amount that the court considers proper to pay the costs and damages sustained
10 by any party found to have been wrongfully enjoined or restrained.” But “[d]espite the seemingly
11 mandatory language, Rule 65(c) invests the district court ‘with discretion as to the amount of security
12 required, *if any.*’” *Johnson v. Couturier*, 572 F.3d 1067, 1086 (9th Cir. 2009) (internal quotation marks
13 omitted). “In particular, the district court may dispense with the filing of a bond when it concludes there
14 is no realistic likelihood of harm to the defendant from enjoining his or her conduct.” *Id.* (quotation marks
15 and alteration omitted). As discussed, Kalshi will not suffer any harm because a temporary restraining
16 order will only require it to follow the law. Further, if this action were in state court where it belongs, no
17 security would be due under Nevada law. *See* Nev. R. Civ. P. 65(c) (“The State, its officers, and its
18 agencies are not required to give security.”). That reflects the Legislature’s determination that a defendant
19 is not harmed when a State brings an enforcement action against it. This Court should take that
20 determination into account and issue an *ex parte* temporary restraining order without the posting of
21 security.

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1 **CONCLUSION**

2 The Court should issue a temporary restraining order prohibiting Kalshi and any of its agents,
3 employees, officers, or affiliates from operating a market that offers event-based contracts relating to
4 sports-, election- and entertainment-related events to people in Nevada without obtaining all required
5 Nevada gaming licenses, and prohibiting Kalshi from allowing its market to accept wagers on those
6 events from persons under the age of 21 in Nevada.

7 DATED this 9th day of March, 2026.

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