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**IN THE FIRST JUDICIAL DISTRICT COURT OF
THE STATE OF NEVADA IN AND FOR CARSON CITY**

STATE OF NEVADA ex rel. NEVADA
GAMING CONTROL BOARD,

Plaintiff,

vs.

KALSHIEX, LLC,

Defendant.

Case No. 260C000050-B

Dept. No. I

**PLAINTIFF'S *EX PARTE* APPLICATION
FOR IMMEDIATE TEMPORARY RE-
STRAINING ORDER AND MOTION FOR
PRELIMINARY INJUNCTION**

Plaintiff, STATE OF NEVADA ex rel. NEVADA GAMING CONTROL BOARD ("BOARD"), by and through its attorneys, hereby files this Application for Immediate Temporary Restraining Order and Motion for Preliminary Injunction against KALSHIEX, LLC ("KALSHI"). The BOARD seeks to immediately restrain and enjoin KALSHI and any of its agents, employees, officers, or affiliates from operating a derivatives exchange and prediction market ("market") that offers event-based contracts relating to sporting and other events to people within Nevada without obtaining all required Nevada gaming licenses, and from allowing its market to accept wagers from persons under the age of 21 in Nevada. This Application and Motion are made pursuant to NRCP 65 and are based upon the following Memorandum of Points and Authorities, the Declaration of Jessica E. Whelan, all papers on file herein, and any oral argument this Court permits.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. FACTS

A. The State Comprehensively Regulates Gaming in Nevada.

Nevada's gaming industry is "vitally important to the economy of the State and the general welfare of the inhabitants." NRS 463.0129(1)(a). The gaming industry contributes over \$2 billion in taxes—over one-third of Nevada's general fund. Nev. Resort Ass'n, *2025 Nevada Gaming Fact Book 2* (2025), perma.cc/NRH9-5NGV. The Nevada Legislature has found that the continued growth and success of gaming "is dependent upon public confidence and trust that licensed gaming" is "conducted honestly and competitively." NRS 463.0129(1)(b). And the Legislature has made clear that "[p]ublic confidence and trust can only be maintained by *strict* regulation of all persons, locations, practices, associates, and activities related" to the operation of gaming in Nevada. NRS 463.0129(1)(c) (emphasis added). The BOARD is statutorily charged with administering and enforcing Nevada gaming law. NRS 463.140(1).

"Gaming" in Nevada is synonymous with "gambling" and includes any regulated game. NRS 463.0153. A "game" subject to regulation in Nevada includes "any game played with . . . equipment or any mechanical or electronic device or machine for money . . . or any representative of value" that is accessible in Nevada. NRS 463.0152. The games subject to regulation in Nevada include "percentage game[s]." *Id.* A "percentage game" exists where the "house" does not directly participate in a wager and its only stake is a commission derived from the wager. *See Hughes Props. v. State*, 100 Nev. 295, 297, 680 P.2d 970, 971 (1984). Gaming includes operating a "sports pool," which is "the business of accepting wagers on sporting events or other events by any system or method of wagering," NRS 463.0193; a "wager" is "a sum of money or representative of value that is risked on an occurrence for which the outcome is uncertain," NRS 463.01962.

Nevada law comprehensively regulates entities that conduct gaming activities in the State. Every such entity is subject to a rigorous licensing process. NRS 463.160(1). They must pay taxes on gross gaming revenue derived from gaming activities accessible in the State. NRS 463.373. Licensed entities accepting wagers from persons in the State of Nevada must have a physical location in Nevada. Nev. Gam'g Comm. Reg. 22.060(2). Licensed entities may not accept wagers from those under 21 years of age. NRS 463.350. Further, licensed entities accepting wagers on sporting events must employ safeguards

1 to ensure that wagers are not being placed on an event by owners, coaches, players, or officials partici-
2 pating in the event, and must communicate with Nevada gaming regulatory authorities about potential
3 evidence of match fixing or point shaving. *See Nev. Gam'g Comm. Reg. 22.1205(2)*. Being unable to
4 enforce these laws would severely weaken the State's ability to strictly regulate gaming and would jeop-
5 ardize the growth and integrity of Nevada's gaming industry.

6 **B. KALSHI's Market is a Gambling Game and/or Sports Pool and Accepts Wagers**
7 **from Persons in Nevada.**

8 KALSHI operates a market that offers event-based contracts relating to sporting and other events.
9 Compl. ¶ 20. These events include, but are not limited to, college basketball games, college and profes-
10 sional football games, and elections. *Id.*

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

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

27 **C. KALSHI's Activities in Nevada Cause Harm to Nevada.**

28 Although KALSHI conducts gaming activity in Nevada, including by operating a sports pool,

1 KALSHI does not comply with Nevada gaming law. Among other things, KALSHI has not undergone
2 Nevada's rigorous licensing process to obtain a gaming license. Compl. ¶ 28. It accordingly does not
3 possess a Nevada license to conduct gaming activities, including operating a sports pool. *Id.* ¶¶ 40–41.
4 Further, KALSHI does not pay taxes on gross gaming revenue generated from wagers placed by persons
5 in Nevada. *Id.* ¶ 30. And KALSHI does not have a physical location in Nevada. *Id.* ¶ 32.

6 KALSHI also does not comply with the various regulations on gaming that Nevada has imposed
7 to protect Nevada and its citizens. KALSHI does not require its patrons to be at least 21 years of age to
8 place a wager in its markets, Compl. ¶ 34; instead, it allows anyone over the age of 18 to trade on its
9 platform, *see* Kalshi Help Center, *Signing Up as an Individual*, perma.cc/K7D8-GA8X. To Plaintiff's
10 knowledge, KALSHI does not employ adequate safeguards to ensure that wagers are not being placed on
11 an event by owners, coaches, players, or officials participating in the event, and does not communicate
12 about potential evidence of match fixing or point shaving to Nevada regulatory authorities. Compl. ¶ 36.

13 **II. PROCEDURAL HISTORY**

14 On March 4, 2025, the BOARD issued KALSHI a letter to cease and desist offering contracts
15 based on sports and election events in Nevada unless and until it receives a license from the Nevada
16 Gaming Commission. Compl. ¶ 61. On March 28, 2025, KALSHI filed a complaint for permanent in-
17 junctive and declaratory relief in federal district court, alleging that the Commodity Exchange Act
18 preempts Nevada gaming laws. *See* Compl., *KalshiEX LLC v. Hendrick*, No. 25-cv-575 (D. Nev. Mar.
19 28, 2025) (ECF No. 1). KALSHI contemporaneously filed a motion for a preliminary injunction and
20 declaratory relief. *See* Mot., *KalshiEX, supra* (ECF No. 18). On April 9, 2025, the federal court granted
21 KALSHI's motion for a preliminary injunction. *See* Order, *KalshiEX, supra* (ECF No. 45). That injunc-
22 tion prohibited the BOARD from taking any action against KALSHI for its contracts in Nevada for the
23 time period when it was in effect.

24 On May 20, 2025, the BOARD issued North American Derivatives Exchange, Inc., d/b/a
25 Crypto.com ("Crypto.com") a letter to cease and desist offering contracts based on sports and election
26 events unless and until it receives a license from the Nevada Gaming Commission. *See* Compl. Ex. A, *N.*
27 *Am. Derivatives Exchange, Inc. v. Nevada* ("Crypto.com"), No. 25-cv-978 (D. Nev. June 3, 2025) (ECF
28 No. 1-2). On June 3, 2025, Crypto.com filed a complaint for permanent injunctive relief and declaratory

1 relief in federal district court, on the same legal grounds as KALSHI. *See* Compl., *Crypto.com*, *supra*
2 (ECF No. 1). *Crypto.com* also filed a motion for a preliminary injunction. *See* Mot., *Crypto.com*, *supra*
3 (ECF No. 15). The federal court denied *Crypto.com*’s motion for a preliminary injunction. *See*
4 *Crypto.com*, 2025 WL 2916151 (D. Nev. Oct. 14, 2025), *appeal pending*, No. 25-7187 (9th Cir. filed
5 Nov. 14, 2025). *Crypto.com* has appealed. While the appeal is pending, *Crypto.com* has agreed not to
6 offer sports-based contracts to Nevada residents. *See* Notice, *Crypto.com*, *supra* (ECF No. 110).

7 On October 17, 2025, the BOARD filed a motion to dissolve KALSHI’s preliminary injunction.
8 *See* Mot., *KalshiEX*, *supra* (ECF No. 142). On November 25, 2025, the federal court granted that motion
9 and dissolved the preliminary injunction that had prohibited the BOARD from enforcing Nevada gaming
10 law against KALSHI with respect to its sports and election contracts. *See KalshiEX*, 2025 WL 3286282.¹
11 KALSHI has appealed the federal court’s order dissolving the preliminary injunction, and that appeal
12 remains pending. On November 25, 2025, KALSHI filed a motion for an injunction pending appeal with
13 the district court, *See* Mot., *KalshiEX*, *supra* (ECF No. 238); the district court denied that motion, Order,
14 *KalshiEX*, *supra* (ECF No. 258). On December 17, 2025, KALSHI filed a motion for an injunction pend-
15 ing appeal with the United States Court of Appeals for the Ninth Circuit (“Ninth Circuit”), Mot.,
16 *KalshiEX, LLC v. Hendrick*, No. 25-7516 (9th Cir. Dec. 17, 2025) (ECF No. 17); the Ninth Circuit has
17 not ruled on the motion.

18 During the pendency of its appeal, KALSHI dramatically expanded its operations. It started of-
19 fering bets on even more sporting events, including amateur soccer in Spain and the Japanese basketball
20 B League. *See* Dustin Gouker, *Kalshi Now Lets You Bet on Dozens of International Soccer and Basketball*
21 *Leagues*, Event Horizon (Jan. 26, 2026), perma.cc/448F-B2QL. It has also expanded its marketing push,
22 including by taking out an enormous billboard on the Las Vegas Strip to encourage betting on its platform
23 for the Super Bowl. *See* @vegasstarfish, *Kalshi Taking Over Las Vegas*, YouTube (Feb. 5, 2026), [bit.ly/](https://bit.ly/4ku6iGb)
24 [4ku6iGb](https://bit.ly/4ku6iGb). Those efforts have led to a surge in users and trading volumes. In January, KALSHI’s app was
25 downloaded over 3 million times—more than for both DraftKings or FanDuel combined. *See* Ira
26 Boudway & Denitsa Tsekova, *Kalshi Downloads Zoom Past Gambling Apps Ahead of Super Bowl*,

27
28 ¹ The Court also denied a preliminary injunction to KALSHI’s partner, Robinhood Derivatives
LLC. *See Robinhood Derivatives LLC v. Dreitzer*, 2025 WL 3283308, at *2 (D. Nev. Nov. 25, 2025).

1 Bloomberg (Feb. 5, 2026), perma.cc/U2AF-ND5U. KALSHI's 30-day volume has hit over \$10 billion
2 in wagers. Dustin Gouker, *The Handle: Inside Kalshi's First \$10 Billion Month*, The Closing Line (Feb.
3 10, 2026), perma.cc/E4G5-6XLZ.

4 KALSHI reported over \$1 billion in wagers on Super Bowl Sunday alone—over 27 times more
5 than it reported for the Super Bowl in 2025. Anna Betts, *Prediction Market Kalshi Reached \$1bn in*
6 *Trading Volume During Super Bowl*, The Guardian (Feb. 10, 2026), perma.cc/KDU4-ER7R. In contrast,
7 betting volumes on the Super Bowl at Nevada's regulated sportsbooks declined nearly 15% from 2025,
8 hitting a ten-year low. Sam McQuillan, *Super Bowl Betting Results Mask Game's Real Financial Story*,
9 Legal Sports Report (Feb. 10, 2026), perma.cc/8HZX-MPWH. So KALSHI has massively expanded its
10 unlicensed gambling business, to the detriment of competitors that are licensed in Nevada.

11 During this period, the BOARD has filed civil enforcement actions in this Court against Block-
12 ratize Inc. d/b/a Polymarket, QCX LLC d/b/a Polymarket US, and Adventure One QSS Inc. d/b/a Poly-
13 market (collectively "Polymarket"), and Coinbase Financial Markets, Inc. ("Coinbase"), entities that, like
14 KALSHI, allow users to wager on sports and other events through event-based contracts. On January 29,
15 2026, Judge Woodbury entered a temporary restraining order against Polymarket, and on February 6,
16 2026, Judge Luis entered a temporary restraining order against Coinbase. *See Nevada v. Blockratize, Inc.*,
17 No. 26-OC-00012-1B (Nev. 1st JD Jan. 29, 2026) ("Polymarket Op."); *Nevada v. Coinbase Financial*
18 *Markets, Inc.*, No. 26-OC-00030-1B (Nev. 1st JD Feb 6, 2026) ("Coinbase Op."). The orders prohibit
19 Polymarket and Coinbase from offering event-based contracts on sporting and other events in Nevada
20 without gaming licenses. The courts held that Polymarket's and Coinbase's unlicensed operations likely
21 violate Nevada's gaming laws, that the Commodity Exchange Act likely does not preempt those laws,
22 and that Polymarket's and Coinbase's unlicensed operations cause immediate and irreparable injury to
23 the State of Nevada and the public. Polymarket Op. 4-6; Coinbase Op. 3-5.

24 On February 10, 2026, the BOARD informed the Ninth Circuit that it intended to file a civil
25 enforcement action in this Court on February 17, 2026. *See Notice, KalshiEX, LLC v. Hendrick*, No. 25-
26 7516 (9th Cir. Feb. 10, 2026) (ECF No. 60.1). On February 11, 2026, KALSHI filed a motion for an
27 administrative stay with the Ninth Circuit. The Ninth Circuit has not acted on that motion. Because the
28 federal district court dissolved the preliminary injunction, and neither the district court nor the Ninth

1 Circuit granted KALSHI an injunction pending appeal, the BOARD is no longer prohibited from exer-
2 cising its statutory duty to enforce Nevada gaming law against KALSHI.

3 On February 17, 2026, the BOARD filed this action to obtain a declaration from this Court that
4 KALSHI is violating Nevada law and an injunction ordering KALSHI to cease its violations of Nevada
5 law. *See* Compl. 11. In this Application for Immediate Temporary Restraining Order and Motion for
6 Preliminary Injunction, the BOARD seeks an *ex parte* temporary restraining order and preliminary in-
7 junction prohibiting KALSHI and any of its agents, employees, officers, or affiliates from operating a
8 market that offers event-based contracts relating to sporting and other events to people within Nevada
9 without obtaining the required Nevada gaming licenses, and prohibiting KALSHI from allowing its mar-
10 ket to accept wagers from persons under the age of 21 in Nevada. The BOARD seeks immediate, *ex parte*
11 relief because KALSHI's unlicensed and unregulated operation in the State of Nevada is causing signif-
12 icant harm to the State, its citizens, and its gaming industry, every day. *Id.* ¶¶ 26–36.

13 **III. LEGAL STANDARD**

14 Nevada Rule of Civil Procedure 65(b) authorizes a court to issue an *ex parte* temporary restraining
15 order. Courts often apply similar standards for temporary restraining orders and preliminary injunctions,
16 as both are forms of injunctive relief aimed at preventing harm before a final resolution of the case. *See,*
17 *e.g., LIT Ventures, LLC v. Carranza*, 457 F. Supp. 3d 906, 908 (D. Nev. 2020). A court should grant such
18 relief when it “appear[s] by the complaint that the plaintiff is entitled to the relief demanded, and such
19 relief or any part thereof consists in restraining the commission or continuance of the act complained of,”
20 NRS 33.010(1), and when “the commission or continuance of some act, during the litigation, would
21 produce great or irreparable injury to the plaintiff,” NRS 33.010(2). The plaintiff must demonstrate two
22 elements: (1) there is a reasonable likelihood that the plaintiff will prevail in the underlying case and
23 (2) absent relief, the plaintiff will suffer irreparable harm for which compensatory damages are not suf-
24 ficient. *Elk Point Country Club Homeowners’ Ass’n v. K.J. Brown, LLC*, 138 Nev. 640, 642, 515 P.3d
25 837, 839 (2022); *Posner v. U.S. Bank Nat’l Ass’n*, 140 Nev. Adv. Op. 22, 545 P.3d 1150, 1152 (2024).
26 The court may also consider the balance of hardships and the public interest. *See Univ. & Cmty. Coll.*
27 *Sys. of Nev. v. Nevadans for Sound Gov’t*, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004).

28 The key question in issuing a temporary restraining order is whether the Plaintiff has shown that

1 it will suffer “immediate and irreparable injury.” NRCP 65(b); *see State ex rel. Friedman v. Eighth Jud.*
2 *Dist. Ct. In & For Clark Cnty.*, 81 Nev. 131, 134, 399 P.2d 632, 633 (1965).

3 The requirements for both a preliminary injunction and for a temporary restraining order are met
4 here. The BOARD is suffering serious, ongoing, irreparable harm every day that KALSHI operates in
5 violation of Nevada law, and so the Court should immediately issue a temporary restraining order.

6 **IV. ARGUMENT**

7 KALSHI has been willfully circumventing Nevada law requiring all gaming activity in the State
8 to be strictly regulated and licensed. KALSHI operates a “sports pool” and/or “gambling game” under
9 Nevada law. Yet KALSHI does not possess a Nevada license to operate a sports pool or conduct other
10 gaming activity in Nevada. KALSHI also does not follow many of the restrictions on licensed gaming in
11 the State. In particular, KALSHI allows persons under 21 years of age to wager on its market. Accord-
12 ingly, the BOARD is entitled to a temporary restraining order and preliminary injunction prohibiting
13 KALSHI from operating an unlicensed sports pool in Nevada and prohibiting KALSHI from accepting
14 wagers from persons under the age of 21.

15 **A. Plaintiff Is Likely to Succeed on the Merits of Its Claims.**

16 The BOARD is likely to succeed in showing that KALSHI violates, at a minimum, NRS 463.160,
17 463.350, 465.086, and 465.092.

18 KALSHI violates NRS 463.160. Pursuant to NRS 463.160, it is unlawful for a person to expose
19 a game or a sports pool for play in Nevada without the required gaming licenses. KALSHI’s market
20 exposes a percentage game and/or sports pool for play in Nevada. Compl. ¶¶ 19–25; *see Polymarket Op.*
21 *5*; *Coinbase Op.* 3-4; *KalshiEX*, 2025 WL 3286282, at *8 (concluding that KALSHI’s sports-related
22 event-based contracts “are sports wagers and everyone who sees them knows it”). KALSHI does not
23 possess a Nevada gaming license either to offer a percentage game or to operate a sports pool in Nevada.
24 Compl. ¶¶ 40–41. Accordingly, KALSHI has violated and continues to violate NRS 463.160.

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

1 and continues to violate NRS 463.350.

2 KALSHI violates NRS 465.086. Pursuant to NRS 465.086(1), it is unlawful for any person to
3 directly or indirectly receive any compensation or any percentage or share of the money played for ac-
4 cepting or facilitating any wager upon the result of any sporting event without a gaming license. KALSHI
5 is not licensed to accept wagers in Nevada. Compl. ¶ 48. KALSHI's market accepts wagers in Nevada.
6 *Id.* ¶ 49. In addition to accepting wagers on the results of sporting events and other events, KALSHI's
7 market facilitates wagers on sporting events and other events between individual participants in its mar-
8 ket. *Id.* ¶ 50. KALSHI takes a percentage of money wagered through its market in the form of commis-
9 sions styled as "trading fees." KALSHI, *Kalshi Fee Schedule*, perma.cc/BZ3L-MYM5. Accordingly,
10 KALSHI has violated and continues to violate NRS 465.086.

11 KALSHI violates NRS 465.092. Pursuant to NRS 465.092, it is unlawful for a person to know-
12 ingly accept a wager from a person inside of Nevada through a medium of communication unless the
13 person accepting the wager is licensed pursuant to Nevada law and complies with applicable Nevada
14 laws and regulations concerning wagering. KALSHI's market accepts wagers on sporting events and
15 other events. Compl. ¶ 55. KALSHI's market accepts wagers from persons inside of Nevada. *Id.* ¶ 56.
16 The Internet is a medium of communication. NRS 465.091. KALSHI's market uses the Internet for wa-
17 gering activities. Compl. ¶ 58. Accordingly, KALSHI has violated and continues to violate NRS 465.092.

18 For at least these reasons, KALSHI is violating Nevada gaming law.

19 **B. Plaintiff Is Suffering and Will Continue to Suffer Immediate and Irreparable Harm**
20 **Absent Relief.**

21 Both judges of this Court have determined that Plaintiff suffers immediate and irreparable harm
22 when an unlicensed entity allows persons within Nevada to wager on sports and other events through
23 event-based contracts in violation of Nevada law. Polymarket Op. 6–7; Coinbase Op. 5–6. As Judge
24 Woodbury explained, "every day" matters "in a literal sense" in these cases: "A day means more con-
25 sumers. More consumers mean more transactions. More transactions mean more potential harm." Poly-
26 market Op. 7. The federal court has come to the same conclusion with respect to KALSHI's unlicensed
27 operations, concluding that every day KALSHI operates in violation of Nevada law imposes "substantial
28 irreparable harms to the Board, the State of Nevada, the gaming industry in this state, and the public

1 interest.” *KalshiEX*, 2025 WL 3286282, at *13.

2 Those conclusions are correct. Plaintiff suffers serious and irreparable harm every day that
3 KALSHI operates its market in violation of Nevada law. The Nevada Legislature has enacted a “com-
4 prehensive regulatory structure, coupled with strict licensing standards” to ensure the integrity of gaming
5 in the State. NRS 463.745. Plaintiff is statutorily charged with enforcing Nevada gaming law and over-
6 seeing Nevada’s gaming industry, to protect the reputation of the State of Nevada, to protect the reputa-
7 tion of gaming in Nevada, and to protect the public health, safety, morals, good order, and general welfare
8 of the inhabitants of Nevada. NRS 463.140(1).

9 KALSHI’s failure to comply with Nevada gaming law impairs the BOARD from carrying out its
10 statutory functions. The BOARD has the obligation to “consistently and equitably” enforce Nevada gam-
11 ing law to “protect the health, safety, morals, good order, and general welfare of gaming consumers.”
12 Polymarket Op. 6; *see* Coinbase Op. 5. KALSHI, as “[a]n unlicensed participant beyond the BOARD’s
13 control,” obstructs the BOARD’s ability to fulfill its statutory duties. Polymarket Op. 6. The resulting
14 unlicensed and unregulated gambling means underage people can gamble, allows unsuitable persons to
15 run gaming operations, and distorts the gaming industry. *Id.* These harms “cannot be mitigated” once
16 incurred. *Id.*

17 KALSHI’s operations threaten the integrity of gaming. For example, to ensure that wagering is
18 fair, Nevada gaming regulations prohibit accepting wagers on sporting events from owners, coaches,
19 players, officials, or other participants in the event and require licensees to take reasonable steps to avoid
20 circumvention of this regulation. Nev. Gam’g Comm. Reg. 22.1205(2). Licensed sports books also must:
21 (1) obtain certain identification information from patrons who place wagers of a certain size; (2) prevent
22 multiple wagers designed to circumvent the identification requirements for wagers of a certain size; and
23 (3) prevent wagers structured to circumvent the identification requirements. Nev. Gam’g Comm. Reg.
24 22.061, 22.062, and 22.063. Further, licensed sports books must communicate with the BOARD about
25 potential evidence of match fixing or point shaving. *See id.* at 22.121. To Plaintiff’s knowledge, KALSHI
26 does not adhere to these requirements, which harms the BOARD by preventing it from ensuring the
27 integrity of gaming in the State. To the contrary, its own chief executive officer recently said that insider
28 trading on its platform is “fair game” and simply “part of the risk in the market.” Compl. ¶ 36.

1 KALSHI's failure to comply with Nevada gaming law gives it a massive and unfair competitive
2 advantage over its competitors, which greatly disrupts the gaming industry. That advantage is both pecu-
3 niary, in that KALSHI does not need to spend the money its competitors need to spend on licensing fees,
4 taxes, and compliance (including maintaining a physical location in Nevada), as well as strategic, in that
5 KALSHI's products are not subject to the same requirements as its competitors. The BOARD suffers
6 irreparable harm when KALSHI is able to distort the playing field and disrupt the industry in this manner.
7 *KalshiEX*, 2025 WL 3286282, at *13–14; *see Hotel Emps. & Rest. Emps. Int'l Union v. Nev. Gaming*
8 *Comm'n*, 984 F.2d 1507, 1509 (9th Cir. 1993). The harm only increases the longer KALSHI is allowed
9 to operate unfettered. KALSHI's ability to profit from unlicensed gaming will incentivize others to enter
10 into prediction markets instead of becoming (or remaining) licensed by the State. Indeed, that already has
11 started to happen: DraftKings and FanDuel have decided to forgo licensing in Nevada so that they can
12 enter the prediction-markets business in other States. *See KalshiEX*, 2025 WL 3286282, at *14. Other
13 sportsbooks could follow suit, "unleashing even more unregulated gambling." *Id.*

14 Thus, the harms caused by KALSHI are ongoing, serious, and irreparable. Now that the BOARD
15 is no longer prohibited from enforcing its statutory charge to strictly regulate gaming, it seeks to stop the
16 myriad of harms caused by KALSHI. KALSHI has made clear that it will not stop its violations of Nevada
17 law unless and until restrained by this Court: It told the federal district court that the only thing that "could
18 affect Kalshi's ongoing operations in the State" is if the BOARD takes "enforcement measures" against
19 it. Reply in Further Supp. of Mot. to Stay Proceedings 9, *KalshiEX*, *supra* (ECF No. 262). That confirms
20 that an order from this Court is required to stop KALSHI from continuing to harm the State.

21 **C. The Balance of Hardships and the Public Interest Weigh Heavily in Favor of Grant-**
22 **ing an *Ex Parte* Temporary Restraining Order and a Preliminary Injunction.**

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

27 KALSHI has argued that federal law preempts Nevada gaming law, and that it is harmed by being
28 required to follow preempted law. But the federal court concluded that KALSHI is unlikely to prevail on

1 this argument. *KalshiEX*, 2025 WL 3286282, at *6–12. Two judges of this Court also have concluded
2 that federal law likely does not preempt state gaming law. Polymarket Op. 5-6; Coinbase Op. 4-5.

3 In any event, as the federal court explained, KALSHI does not face irreparable harm. All other
4 sportsbooks comply with state law, either by becoming licensed or by geofencing their operations to
5 avoid Nevada, and KALSHI can do that too. *KalshiEX*, 2025 WL 3286282, at *12. KALSHI just wants
6 to make more money; all of its harms are self-inflicted and therefore are not irreparable. *Id.* at *13.
7 KALSHI started offering sports contracts despite an express federal prohibition on those contracts. *See*
8 17 C.F.R. § 40.11(a). Then it chose to forge ahead with an untested preemption theory, even though the
9 district court warned KALSHI that it was “proceeding at its own risk and creating its own harms.”
10 *KalshiEX, LLC v. Hendrick*, 2025 WL 1073495, at *8 (D. Nev. Apr. 9, 2025), *order dissolved*, 2025 WL
11 3286282 (D. Nev. Nov. 24, 2025). Even after the district court ruled against KALSHI, KALSHI dramat-
12 ically expanded its operations, including by launching new series of sports wagers, entering into addi-
13 tional partnerships, and aggressively marketing its platform, leading to record downloads and betting
14 volumes. *See supra* pp. 4–5. Any claimed harms from being required to stop operating are “largely mon-
15 etary”—“essentially that [the company] will not be able to profit from [its] trades”—and pale in compar-
16 ison to the harms to the BOARD. *KalshiEX*, 2025 WL 3286282, at *12. The balance of harms thus weighs
17 heavily in the BOARD’s favor. *Id.* at *13; *see* Polymarket Op. 7; Coinbase Op. 7.

18 The public interest similarly weighs in favor of enjoining KALSHI from violating Nevada gaming
19 law. The Legislature has determined that “[p]ublic confidence and trust can only be maintained by strict
20 regulation of all persons, locations, practices, associations and activities related to the operation of li-
21 censed gaming establishments.” NRS 463.0129(1)(c). “All establishments where gaming is con-
22 ducted . . . must therefore be licensed, controlled and assisted to protect the public health, safety, morals,
23 good order and general welfare of the inhabitants of the State[.]” NRS 463.0129(1)(d). The Legislature
24 thus has determined that the public interest requires *all* gaming operators to be licensed and to follow
25 Nevada gaming law. Any gaming business, including KALSHI, that does not comply with Nevada gam-
26 ing law poses a threat to this vital industry. *See* Polymarket Op. 6; Coinbase Op. 5.

27 In particular, KALSHI does not adhere to the consumer-protection requirements in Nevada law.
28 To start, KALSHI’s operations harm some of Nevada’s most vulnerable residents. Nevada law prohibits

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

13 KALSHI’s operations further harm the gaming public because KALSHI does not participate in
14 the State’s process to resolve patron disputes. *See* NRS 463.362 *et seq.* Patrons of licensed gaming es-
15 tablishments may utilize a process with the BOARD to resolve disputes related to wagering activities.
16 But this structure is in place only for disputes between a Nevada licensee and its patron. NRS 463.362.
17 A person entering a wager through an event contract available on KALSHI’s market is not a patron of a
18 Nevada licensee and, thus, pursuant to the applicable statutes, has no recourse should there be a dispute
19 over the wager. KALSHI’s market thus harms the public interest because it does not provide adequate
20 protection to purchasers of event contracts.

21 KALSHI also harms the State’s economy and the public fisc. Licensed gaming is “vitally im-
22 portant to the economy of the State and the general welfare of the inhabitants.” NRS 463.0129(1)(a). All
23 licensed gaming operators must pay taxes, *see* NRS 463.370—revenues that finance “indispensable”
24 State functions, from schools to highways, *Sacco v. State*, 105 Nev. 844, 847, 784 P.2d 947, 949 (1989).
25 Indeed, the gaming industry contributes over \$2 billion in taxes, representing over one-third of Nevada’s
26 general fund. Nev. Resort Ass’n, *2025 Nevada Gaming Fact Book 2* (2025), perma.cc/NRH9-5NGV.
27 KALSHI’s unlicensed gaming operations threatens that revenue, by evading taxes and diverting business
28 from licensed sports books that pay taxes, and thus “represents a serious threat to the state’s economic

1 base.” *Sacco*, 105 Nev. at 847. As the federal district court explained, allowing KALSHI to continue its
2 unlawful gaming activities risks “devastating the Nevada economy and related tax revenues.” *KalshiEX*,
3 2025 WL 3286282, at *14. The public interest thus weighs decisively in favor of enjoining KALSHI. *See*
4 *Polymarket Op. 7*; *Coinbase Op. 7*.

5 **D. No Security Is Required.**

6 NRCP 65(b)(2)(c) generally requires that a party in whose favor a temporary restraining order is
7 issued post security “in an amount that the court considers proper to pay the costs and damages sustained
8 by any party found to have been wrongfully enjoined or restrained.” However, that same provision re-
9 quires unequivocally that “[t]he State, its officers, and its agencies are not required to give security.”
10 Therefore, the *ex parte* temporary restraining order can and should be issued and effective without the
11 posting of security.

12 **V. CONCLUSION**

13 The Court should grant this application for *ex parte* temporary restraining order and preliminary
14 injunction, and immediately enter an order prohibiting KALSHI and any of its agents, employees, offic-
15 ers, or affiliates from operating a market that offers event-based contracts relating to sporting and other
16 events to people in Nevada without obtaining all required Nevada gaming licenses, and prohibiting
17 KALSHI from allowing its market to accept wagers from persons under the age of 21 in Nevada.

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AFFIRMATION
(Pursuant to NRS 239B.030)


The undersigned does hereby affirm that the foregoing document does not contain the social security number of any person.

Dated: February 17, 2026

AARON D. FORD

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