

Corporate Counsel Daily, Court rejects Crypto.com's bid to block Nevada from regulating sports event contracts, (Oct 16, 2025)

By [Elena Eyber, J.D.](#)

The court ruled that Crypto.com's sports event contracts are not swaps under the Commodity Exchange Act and thus remain subject to Nevada gaming laws.

The federal district court in Nevada denied Crypto.com's request for a preliminary injunction and judgment on the pleadings, ruling that its sports event contracts are not swaps within the CFTC's exclusive jurisdiction. Crypto.com, a CFTC-designated contract market, sought to prevent the Nevada Gaming Control Board and the state attorney general from enforcing Nevada gaming laws against it, claiming that federal law preempts state regulation. The court disagreed, holding that Congress did not intend for gaming activities to fall under the CFTC's exclusive authority, and therefore Nevada retains regulatory power over sports-based contracts offered by Crypto.com ([North American Derivatives Exchange, Inc. v. The State of Nevada](#), No. 2:25-cv-00978-APG-BNW (D. Nev. Oct. 14, 2025)).



The court determined that Crypto.com's event contracts, based on the outcomes of sporting events, do not qualify as swaps under the Commodity Exchange Act. Citing congressional intent, the judge emphasized that Congress specifically excluded gaming from the types of activities authorized on CFTC-regulated markets. As a result, the court concluded that Crypto.com is unlikely to succeed on the merits of its preemption argument, and that the CFTC's jurisdiction does not displace Nevada's authority to regulate or prohibit unlicensed sports wagering.

Because Crypto.com failed to establish a likelihood of success on the merits, the court denied its motion for a preliminary injunction. The court further found that allowing Crypto.com to continue offering sports wagers under the guise of swaps would undermine Nevada's statutory duty to preserve public confidence in licensed gaming and would contravene both state and federal law. The court did not analyze the remaining injunction factors in depth, noting that Crypto.com's failure on the likelihood-of-success element was dispositive.

Finally, the court granted in part Crypto.com's motion to strike certain affirmative defenses, striking several as conclusory or lacking factual support while allowing others to stand or be amended. The defendants were permitted to file an amended answer. The court also granted several tribal and gaming organizations permission to file an amicus brief addressing the broader implications of allowing unregulated sports wagering on federally designated exchanges.

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The case is [No. 2:25-cv-00978-APG-BNW](#).

Judge: Gordon, A.

Attorneys: Bradley T. Austin (Snell & Wilmer) and Matthew C. Solomon (Cleary Gottlieb Steen & Hamilton LLP) for North American Derivatives Exchange, Inc. d/b/a Crypto.com Derivatives North America. Jessica Whelan, Nevada Attorney General's Office, for The State of Nevada on Relation of the Nevada Gaming Control Board, George Assad and Chandeni K. Sendall.

Companies: North American Derivatives Exchange, Inc. d/b/a Crypto.com Derivatives North America; The State of Nevada on Relation of the Nevada Gaming Control Board

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