

Securities Regulation Daily Wrap Up, FEDERAL PREEMPTION—9th Cir.:

Kalshi tries again for stay of Nevada prediction markets order, (Jan 5, 2026)

By [Lene Powell, J.D.](#)

The Kalshi exchange wants to continue offering sports-related trading in Nevada while its appeal of a district court order plays out.

Nevada state gaming regulators are again opposing an attempt by the Kalshi exchange to block a Nevada federal district court order relating to prediction markets trading. Kalshi argues that an expected Ninth Circuit ruling will provide important guidance in a rapidly evolving legal landscape, while regulators contend that a stay would unreasonably delay resolution of the dispute ([KalshiEx, LLC v. Hendrick](#), No. 2:25-cv-00575-APG-BNW (D. Nev. Jan. 2, 2026)).

“Kalshi refuses to take any measures to comply with Nevada law pending appeal and has made clear it will only do so if ordered by a court,” the regulators wrote. “That makes it all the more urgent to proceed towards final resolution of the case.”

Prediction markets dispute. Kalshi is [suing](#) the Nevada Gaming Control Board and state officials in Nevada federal district court over a cease-and-desist order prohibiting Kalshi from offering sports-related trading in Nevada. The regulators say the trades that Kalshi offers are illegal unlicensed betting. Kalshi counters that, as a CFTC-regulated designated contract market offering swaps trading, state regulators lack jurisdiction because federal law preempts state oversight.

While [Kalshi initially won an injunction](#) to block the cease-and-desist order, Chief Judge Andrew Gordon of the U.S. District Court for the District [dissolved the injunction last November](#) in a [surprising reversal](#), concluding that the trades are not swaps subject to the exclusive jurisdiction of the CFTC.

The Nevada regulators then issued a [November 25 notice](#) stating that Kalshi refused to stop operating in Nevada pending further proceedings and had requested a stay.

“The Board will vigorously oppose that motion and will continue to expeditiously pursue a path through the courts to stop Kalshi’s unlawful conduct,” the regulators said in the notice.

After the district court [issued a stay order](#) on December 16, Kalshi filed a [new motion for stay](#) on December 18.

Ninth Circuit appeal. Kalshi has also [asked the Ninth Circuit](#) to stay the district court order. Kalshi filed its [opening brief](#) in the Ninth Circuit appeal on December 26.

The case is [No. 25-cv-00575-APG-BNW](#).

Attorneys: Dennis L. Kennedy (Bailey Kennedy) for Kalshiex, LLC. Devin A Oliver, Office of the Attorney General, for Kirk D. Hendrick, George Assad, Chandeni K. Sendeall, Nevada Gaming Control Board, Jennifer Togliatti, Rosa Solis-Rainey, Brian Krolicki and George Markantonis.

Companies: Kalshiex, LLC

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