

[Securities Regulation Daily Wrap Up, FEDERAL PREEMPTION—E.D. Wis.: CFTC continues counter-attack on prediction markets jurisdiction, sues Wisconsin, \(Apr. 29, 2026\)](#)

Securities Regulation Daily Wrap Up

[Click to open document in a browser](#)

By [John Filar Atwood](#)

The lawsuit is the latest in a series of complaints and amicus briefs filed by the CFTC in which it claims that states are interfering with its federally-mandated regulation of prediction markets.

Days after [suing New York](#) and submitting an amicus brief in support of Kalshi to the Massachusetts Supreme Court, the CFTC filed a complaint against Wisconsin to once again assert its jurisdiction over the regulation of prediction markets. The suit is a response to Wisconsin's lawsuits against Kalshi, Polymarket, Crypto.com, Robinhood, and Coinbase, all of which are CFTC-regulated prediction markets. Along with Wisconsin and New York, the agency has sued [Arizona, Connecticut, and Illinois](#), and filed an amicus brief in the Ninth Circuit Court of Appeals ([CFTC v. Wisconsin](#), No. 2:26-cv-749 (E.D. Wis. Apr. 28, 2026)).

In the Wisconsin complaint, as in the other suits, the CFTC claims that Congress assigned exclusive jurisdiction over the regulation of certain derivative products, including event contracts traded on designated contract markets (DCMs), to the CFTC. Multiple states have challenged the agency's stance, saying that they should regulate prediction markets through state gambling laws.

"States cannot circumvent the clear directive of Congress," [said](#) CFTC Chair Michael Selig. If states try to interfere with the operation of federal law in regulating financial markets, the agency will sue them, he added.

Suit against Wisconsin. In its complaint against Wisconsin, the CFTC argued that the state's attempt to criminalize federally regulated markets intrudes on the exclusive federal scheme Congress designed to oversee national swaps markets. In the Commodity Exchange Act, the agency said, Congress granted the CFTC exclusive jurisdiction to regulate those markets. The federal regulatory scheme preempts Wisconsin law as it applies to event contracts traded on federally regulated exchanges, the agency stated.

The CFTC claimed that Wisconsin believes that event contracts, including sports-related event contracts listed on CFTC-regulated markets, are bets, rather than swaps, and so may be banned by Wisconsin law. However, the CFTC contends that event contracts do not fall under the definition of "bets" as defined in Wisconsin's statutes, so offering event contracts for trade to residents of Wisconsin cannot violate the state's laws.

The CFTC asked the Wisconsin district court to "put an end to the ongoing efforts by defendants to undermine the uniform application of federal law" by ruling that Wisconsin gambling and betting bans or regulations are preempted by federal law as they apply to event contract swaps listed for trading on CFTC-regulated DCMs, and therefore are unlawful.

The case is [No. 2:26-cv-749](#).

Attorneys: Martin Jordan Minot for the CFTC. Charlotte Gibson, Wisconsin Department of Justice, for State of Wisconsin.

MainStory: TopStory CommodityFutures Derivatives Enforcement ExchangesMarketRegulation
FederalPreemption FinancialIntermediaries Swaps WisconsinNews