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March 27, 2026

Via ECF

Molly Dwyer, Clerk of Court  
United States Court of Appeals for the Ninth Circuit  
95 Seventh Street  
San Francisco, CA 94103

Re: *N. Am. Derivatives Exch. Inc. v. Nevada*, 9th Cir. No. 25-7187  
*KalshiEX, LLC v. Assad*, 9th Cir. No. 25-7516  
*Robinhood Derivatives, LLC v. Dreitzer*, 9th Cir. No. 25-7831

Dear Ms. Dwyer:

I write to inform the Court of the recent decision in *State of Nevada ex rel. Nevada Gaming Control Board v. Coinbase Financial Markets, Inc.*, No. 260C000301B (Nev. 1st JD Dist. Ct. Mar. 26, 2026) (attached). Like Plaintiffs in these cases, Coinbase Financial Markets, Inc. (Coinbase) operates a prediction market on which users can wager on sports, election, and entertainment events. Op. 1-3. Coinbase is not licensed in Nevada and does not comply with Nevada gaming law. *Id.* at 3. The Nevada Gaming Control Board (Board) brought a state enforcement action and sought a preliminary injunction to bar Coinbase's unlawful operations. *Id.* at 2. Coinbase argued that the Commodity Exchange Act (CEA) preempts application of Nevada's gaming laws to its contracts. *Id.* at 4.

The state court rejected Coinbase's argument and entered a preliminary injunction prohibiting Coinbase from offering sports-, election-, and entertainment-related event contracts in Nevada. Op. 4-6. On the question whether the CEA preempts Nevada gaming law, the state court specifically relied on the reasoning of the district court in this case, finding it "persuasive." *Id.* at 5. The court explained that the CEA, "fairly interpreted, does not vest exclusive jurisdiction over event contracts traded through COINBASE's platform with the Commodity Futures Trading Commission." *Id.*

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The state court also concluded that Coinbase’s continued unlawful operations “cause immediate and irreparable harm” to the State, its gaming industry, and the public. Op. 5-6. The court explained that Coinbase does not comply

with the Nevada laws that prevent people under 21 from betting; that prevent owners, coaches, players, and officials from betting on games; and that prevent unsuitable individuals from being involved in gaming. *Id.* at 5. The court concluded that “these injuries cannot be mitigated, much less restored, by compensatory damages after the injury is incurred.” *Id.* The court also held that “the balance of hardships and the public interest in maintaining meaningful control over Nevada’s gaming industry for the purpose of ensuring its integrity strongly supports issuances of a preliminary injunction.” *Id.* at 6. Those conclusions echo the findings of the district court in these cases.

Respectfully,

*/s/ Jessica E. Whelan*

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# EXHIBIT A

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WILLIAM SCOTT HOEN  
CLERK

BY  CLERK

10 *Attorneys for Plaintiff*

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

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

Case No. 26 OC 00030 1B

15 Plaintiff,

Dept. No. II

16 vs.

17 COINBASE FINANCIAL MARKETS,  
18 INC.,

19 Defendant.

20 **ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION**

21 This matter having come before the Court for hearing on February 17, 2026 on  
22 Plaintiff, STATE OF NEVADA, ex rel. NEVADA GAMING CONTROL BOARD's  
23 ("BOARD") Motion for Preliminary Injunction. Jessica E. Whelan, Chief Deputy Solicitor  
24 General—Litigation, Nevada Office of the Attorney General, appeared on behalf of the  
25 BOARD and Yaira Dubin of Sullivan and Cromwell appeared on behalf of COINBASE  
26 FINANCIAL MARKETS, INC. ("COINBASE").

27 ///

1 On February 5, 2026, this Court granted the BOARD's Ex Parte Application for  
2 Temporary Restraining and issued a Temporary Restraining Order prohibiting  
3 COINBASE from offering or facilitating the offering of event contracts in Nevada for a  
4 period of 14-days from the date of the order.

5 On February 20, 2026, this Court signed a stipulation and order granting the Parties'  
6 request to extend the effectiveness of the Temporary Restraining Order for seven days to  
7 and including February 26, 2026. This Court then signed additional stipulations and orders  
8 granting the Parties requests to extend the effectiveness of the Temporary Restraining  
9 Order through March 9, 2026.

10 The Court, having reviewed the pleadings and papers on file and having considered  
11 the oral arguments of counsel, hereby **FINDS** and **CONCLUDES** as follows:

12 The Board seeks to preliminarily restrain and enjoin COINBASE and any of its  
13 agents, employees, officers, or affiliates from operating a derivative exchange and  
14 prediction market that offers event-based contracts relating to sporting, election, and other  
15 events to people within Nevada without obtaining all required Nevada gaming licenses,  
16 and from allowing its market to accept wagers from person under the age of 21.

17 Under Nevada law, a preliminary injunction is authorized when it "appear[s] by the  
18 complaint that the plaintiff is entitled to the relief demanded"; the relief involves  
19 "restraining the commission or continuance of the act complained of" (NRS 33.010 (1)); and  
20 when "the commission or continuance of some act . . . would produce great or irreparable  
21 injury to the plaintiff." NRS 33.010 (2); *Posner v. U.S. Bank N.A.*, 140 Nev. Adv. Op. 22,  
22 545 P.3d 1150, 1152 (2024)(holding injunctive relief is "proper where the moving party can  
23 demonstrate that it has a reasonable likelihood of success on the merits and that, absent  
24 [such relief], it will suffer irreparable harm for which compensatory damages would not  
25 suffice." (quoting *Excellence Cmty. Mgmt., LLC v. Gilmore*, 131 Nev. 347, 351, 351 P.3d  
26 720, 722 (2015)).

27 In addition, the balance of hardships and public interest may be considered in  
28 determining whether injunctive relief is warranted and, if so, the scope and nature of that

1 relief. *University & Cmty. College Sys. of Nev. v. Nevadans for Sound Gov 't*, 120 Nev. 712,  
2 721, 100 P.3d 179, 187 (2004).

3 **I. The BOARD is reasonably likely to prevail on the merits of the underlying**  
4 **case.**

5 As a threshold matter, the BOARD has demonstrated that it has a “reasonable  
6 likelihood of success on the merits.”

7 **First**, the Complaint (Compl., pp. 2–3) and Motion for Preliminary Injunction (Mot.,  
8 pp. 2–3) establish that gaming in Nevada is expansively and strictly regulated. The  
9 BOARD, in conjunction with the Nevada Gaming Commission, has virtually  
10 comprehensive statutory authority over gaming in Nevada. *See generally* Nev. Rev. Stat.  
11 ch. 463. The strict regulation of gaming promotes the public interest in several respects,  
12 including the prevention of underage gambling, preservation of the integrity of the events  
13 which are the subject of gaming wagers, and exclusion of unsuitable individuals from  
14 gaming activities. NRS 463.166, .350, *Nev. Gam 'g Comm. Reg.* 22.1205(2). Gaming in  
15 Nevada may only be conducted by an entity licensed under the authority of the Nevada  
16 Gaming Control Act. NRS 463.160

17 **Second**, “gaming” as used in Nevada law includes a “percentage game,” and a  
18 “wager” in a “sports pool.” NRS 493.0152, .0193, .01962. “Percentage games are . . . games  
19 where patrons wager against each other and the house takes a percentage of each wager  
20 as a ‘rake-off.’” *Hughes Properties v. State*, 100 Nev. 295, 297, 680 P.2d 970, 971 (1984). A  
21 “wager” is “a sum of money or representative of value that is risked on an occurrence for  
22 which the outcome is uncertain.” NRS 463.01962. And a “sports pool” is “the business of  
23 accepting wagers on sporting events or other events by any system or method of wagering.”  
24 NRS 463.0193.

25 **Third**, the record at this early stage in the proceedings indicates COINBASE is not  
26 licensed under the Nevada Gaming Control Act. COINBASE does not dispute this finding.

27 **Fourth**, the record at this early stage in the proceedings indicates COINBASE  
28 facilitates access to “event-based contracts” that relate to sporting and other events,

1 including college basketball games, college and professional football games and elections.  
2 COINBASE does not dispute this finding.

3 Under Nevada law, this conduct constitutes the operation of a “sports pool” as it  
4 involves the acceptance of “wagers” concerning “sporting events or other events” “for which  
5 the outcome is uncertain.” Further, the record indicates COINBASE takes a commission  
6 on contracts purchased through its system, meaning it is operating a “percentage game” as  
7 defined in Nevada law.

8 Finally, the Court has considered COINBASE’s contentions that it offers Nevada  
9 users the ability to trade event contracts on its platform through a partnership with  
10 KalshiEX, LLC (“Kalshi”), a CFTC-registered exchange that lists event contracts for  
11 trading; that COINBASE is a CFTC intermediary between COINBASE customers and  
12 Kalshi’s exchange acting as execution and clearing agent that facilitate access to markets;  
13 that Nevada gaming laws are preempted with respect to the event contracts offered on a  
14 federally regulated exchange; and that the CEA grants the CFTC exclusive jurisdiction to  
15 regulate “transactions involving swaps traded or executed on a [federally designated]  
16 contract market.” 7 U.S.C. § 2 (a)(1)(A).

17 The question of federal preemption in this regard is nuanced and rapidly evolving.  
18 At the moment, the balance of convincing legal authority weighs against federal  
19 preemption in this context. *See KalshiEx, LLC v. Hendrick*, No. 2:25-cv-00575-APG-BNW,  
20 2025 U.S. Dist. LEXIS 234246 at \*11-38 (D. Nev. Nov. 24, 2025) [hereinafter referred to as  
21 “*KalshiEx*”]; *see also North American Derivatives Ex., Inc. v. Nev. Gaming Control Bd.*, No.  
22 2:25-cv-00978-APG-BNW, 2025 U.S. Dist. LEXIS 466366 (D. Nev. Oct. 14, 2025) (holding  
23 contracts based on outcome of sporting events are not “swaps” under the Commodity  
24 Exchange Act and are not subject to exclusive jurisdiction of CFTC), *KalshiEx, LLC v.*  
25 *Martin*, No. 25-cv-1283-ABA, 793 F. Supp. 3d 667, 2025 U.S. Dist. LEXIS 147815 (D.  
26 Maryland Aug. 1, 2025) (holding state law not preempted by Commodity Exchange Act as  
27 applied to sports-related event contracts). *But see KalshiEx, LLC v. Flaherty*, No. 25-cv-  
28 02152-ESK-MJS, 2025 U.S. Dist. LEXIS 79893 (D.N.J. April 28, 2025) (holding state law

1 preempted by Commodity Exchange Act as applied to sports-related event contracts);  
2 *KalshiEx, LLC v. William Orgel et al.*, No. 3:26-cv-00034, 2026 WL 474869 (M.D. Tenn.  
3 Feb. 19, 2026)(state law likely conflict preempted by the Commodity Exchange Act as  
4 applied to sports-related event contracts). The reasoning in *KalshiEx* is persuasive.  
5 Therefore, this Court concludes that based on the current state of the law, the Commodities  
6 Exchange Act, more specifically 7 U.S.C. §2(a)(1)(A), fairly interpreted, does not vest  
7 exclusive jurisdiction over event contracts traded through COINBASE's platform with the  
8 Commodity Futures Trading Commission. As such, Nevada law is not preempted, and the  
9 BOARD has authority to prosecute the enforcement action presented by the Complaint and  
10 Motion for Preliminary Injunction.

11 **II. The BOARD's injuries are irreparable and non-compensable.**

12 COINBASE's wrongful acts cause immediate and irreparable harm to Nevada's  
13 "comprehensive regulatory structure" and "strict licensing standards." Such harm is not  
14 sufficiently remediable by compensatory damages. The BOARD has a statutory duty to  
15 protect the public and advance Nevada's interest in administering a reputable gaming  
16 industry with integrity. In furtherance of that duty, the BOARD is obliged to consistently  
17 and equitably monitor and enforce regulatory and statutory compliance among all industry  
18 participants and protect the health, safety, morals, good order, and general welfare of  
19 gaming consumers. An unlicensed participant beyond the BOARD's control, such as  
20 COINBASE, obstructs the BOARD's ability to fulfill its statutory functions. For example,  
21 the BOARD lacks authority to ensure that wagers are not being accepted by COINBASE  
22 from owners, coaches, players or officials who are in a position to influence the outcome of  
23 a sporting event. The BOARD also has no means to ensure that individuals under the age  
24 of 21 are not allowed to purchase COINBASE's contracts and no ability to enforce any  
25 sanction against COINBASE if it determined this to be the case. Additionally, the BOARD  
26 has no way to know if unsuitable individuals are involved with COINBASE's activities in  
27 Nevada, much less prevent such involvement. By their nature, these injuries cannot be  
28 mitigated, much less restored, by compensatory damages after the injury is incurred. The

1 fact that Kalshi is not currently enjoined from offering event contracts in Nevada does not  
2 negate the harm caused by COINBASE's facilitation of event contracts absent a  
3 preliminary injunction.

4 These potential consequences must be characterized as irreparable under Nevada  
5 law. As such, they support issuance of a preliminary injunction against COINBASE.

6 **III. The balance of hardships and public interest weigh in favor of issuing the**  
7 **preliminary injunction.**

8 Largely for the reasons that have already been explained above, the balance of  
9 hardships and public interest in maintaining meaningful control over Nevada's gaming  
10 industry for the purpose of ensuring its integrity strongly supports issuance of a  
11 preliminary injunction.

12 **IV. No security is required.**

13 A party who is the beneficiary of a preliminary injunction is typically required to  
14 post security for damages resulting from wrongful issuance of the preliminary injunction.  
15 NRCP 65(c). However, the BOARD, as an agency of the State of Nevada, is exempted from  
16 that typical requirement. *Id.* Therefore, no security will be required.

17 Therefore, good cause appearing,

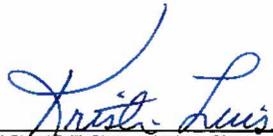
18 **IT IS HEREBY ORDERED** that Plaintiff's Motion for Preliminary Injunction filed  
19 on February 2, 2026 is **GRANTED**. COINBASE is preliminarily prohibited from offering  
20 or facilitating the offering of the following categories of event contracts within the  
21 geographic boundaries of the State of Nevada:

- 22 • Sports-related event contracts, including event contracts involving the  
23 outcome of sporting events or any element of any sporting event (i.e., props)  
24 or any combination of elements or outcomes of sporting events (i.e., parlays).
- 25 • Election-related event contracts.
- 26 • Entertainment-related event contracts (i.e., event contracts relating to  
27 movies, music, awards, video games, esports, and similar areas that fall under  
28 COINBASE's "Entertainment" tab on its platform).

1 COINBASE will have sixty (60) days from the date of this Order to make technological  
2 enhancements necessary to comply with the terms of this order. During the pendency of  
3 those sixty days, COINBASE will prevent users identified as Nevada residents from  
4 entering sports-, election-, and entertainment-related event contracts on its platform, as  
5 described above.

6  
7 **IT IS SO ORDERED.**

8 DATED: March 26, 2026

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12 DISTRICT JUDGE  
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