

Short answer: The Ninth Circuit decision changed the immediate legal position, but it did not settle every question about prediction markets and state gambling law. The injunction that had temporarily blocked Nevada from enforcing its position against Kalshi was removed. That leaves Kalshi more exposed to state action while the broader dispute—whether federal derivatives law preempts state gambling rules for certain event contracts—continues.

That distinction matters. A court’s decision about a preliminary injunction is not necessarily a final ruling that a company violated the law. It does, however, affect what regulators can do while the case proceeds. Anyone asking whether Kalshi is legal in Nevada should separate three things: the status of the injunction, the state’s enforcement position, and the ultimate merits of the federal-versus-state legal fight.

What the Ninth Circuit decision means

Kalshi offers event contracts—financial contracts whose payouts depend on the outcome of an event. It has argued that certain contracts fall under the federal derivatives framework administered by the Commodity Futures Trading Commission (CFTC), rather than under state gambling laws. Nevada regulators have taken the opposing view for contracts they consider unlicensed sports wagering.

The injunction at issue provided temporary protection from Nevada enforcement while the case was being litigated. Once that injunction was removed, it no longer served as a barrier to state action. That is the practical significance behind the phrase **“injunction removed.”** It does not itself establish that every Kalshi contract is unlawful, nor does it automatically resolve the legal status of every product, user, or transaction.

Readers should also avoid treating an appellate ruling on interim relief as a final merits judgment. A preliminary injunction is a temporary court order, generally assessed under factors such as the likelihood of success, the risk of irreparable harm, and the balance of [thecoinrepublic](#) harms. A court can remove or decline to preserve that relief without finally deciding all the questions the parties have raised.



Three different markets people often lump together

Coverage of Kalshi can get confusing because “sports betting,” “offshore betting,” and “prediction markets” are sometimes discussed as though they were the same product under the same rules. They are not.

Category Typical regulatory framework What to keep in mind State-licensed sportsbook State gambling law and state licensing rules Must operate within the state’s licensing and product requirements. Nevada has a long-established gambling regulatory system. Offshore operator Often outside U.S. state licensing; may face federal, state, and payment restrictions Being accessible online does not mean an operator is authorized in Nevada or protected by a U.S. license. Prediction market or event-contract platform Potentially federal derivatives law, state gambling law, or both—depending on the product and legal interpretation The central dispute is often whether the contracts are federally regulated derivatives or unlicensed wagering under state law.

A Nevada-licensed sportsbook has a state gaming license and is subject to Nevada’s rules. Kalshi’s argument is different: it says qualifying event contracts are derivatives traded under federal oversight. Nevada’s regulators argue that certain sports-related contracts function like wagering and therefore trigger state requirements.

That is the jurisdiction fight in plain English: **state gambling law versus federal derivatives law**. The labels used by a company are not conclusive. Courts and regulators can examine how a contract works, what event it references, how it is offered, and which laws apply.

Contracts traded are not dollars wagered

One point routinely blurred in headlines is the difference between **contracts traded** and **dollars wagered**. A reported contract count is not automatically the same as the total amount users paid, the platform’s revenue, or the amount of money at risk. Likewise, a contract’s quoted price is not necessarily a simple measure of the platform’s economic exposure.

That distinction matters when comparing prediction-market activity with sportsbook handle. Sportsbooks commonly report handle—the total amount wagered—along with revenue or hold. A prediction market may report trading volume or contract activity using a different methodology. Those figures should not be compared as though they measure the same thing unless the underlying definitions are clear.

What Nevada regulators can do

When regulators believe a company is offering gambling without the required authorization, their tools can include cease-and-desist orders, investigations, requests for records, and enforcement proceedings. A cease-and-desist demand is a regulator’s assertion of its authority and a direction to stop specified conduct; it is not, by itself, a court’s final ruling on the law.

Kalshi’s dispute illustrates how quickly those tools can become part of a federal lawsuit. A company may ask a court for an injunction to prevent enforcement. A regulator may argue that state law applies and that the company should not receive extraordinary temporary protection. The result can be a sequence of district-court and appellate decisions that changes the enforcement posture before the underlying merits are resolved.

For users, the removal of an injunction means there is less court-ordered protection against Nevada action than there was while the order remained in place. It does not tell users that every account will be closed, that every contract is illegal, or that Nevada has already reached a final judgment against each participant. The precise scope of any regulator action and later court orders matters.

Why this is part of a wider enforcement campaign

Nevada is not the only jurisdiction scrutinizing event-contract platforms. State regulators have sent cease-and-desist notices, sought information, and pursued legal action in disputes over sports-related contracts. Other matters have included subpoenas or information requests directed at companies and industry participants. These actions do not all involve the same claims or have the same legal effect, but together they show that states are actively testing the boundaries of the federal framework.

Connecticut information requests have, for example, referenced app stores as part of the broader inquiry into how event-contract products are distributed and made available to consumers. That reference should not be mistaken for a finding that an app store violated gambling law. It is an example of regulators examining the commercial and distribution ecosystem, not just the company operating the contracts.

Distribution and routing can also complicate the picture. Robinhood has described Robinhood exchange infrastructure routing event contracts, illustrating how an event-contract product may involve a platform, exchange infrastructure, and other service providers. That operational arrangement does not by itself answer which regulator has jurisdiction or whether a particular contract is lawful in Nevada. The legal analysis still depends on the product, the entities involved, and the applicable orders and statutes.

Crypto.com is another familiar name in the event-contract discussion. Its presence in the market underscores that the dispute is not limited to one company. But the fact that multiple firms offer related products does not mean their contracts, regulatory arrangements, or litigation positions are identical. Each product should be assessed on its own terms.

The court uncertainty: injunctions, appeals, and a circuit split

Prediction-market law remains unsettled in part because different courts may approach the federal-versus-state question differently. If federal appellate courts issue conflicting decisions on a key legal issue, that creates what lawyers call a **circuit split**. A split can increase the chance of further appellate review, including possible review by the U.S. Supreme Court, but it does not guarantee that the Supreme Court will take the case.

In the meantime, injunctions can produce different practical outcomes in different states. One court may temporarily block a regulator from enforcing a particular action; another may refuse that relief. Those orders can depend on the record, the specific contract types, the regulator involved, and the legal arguments presented. An injunction in one case is not a nationwide operating license.



For that reason, headlines claiming that a court has “legalized prediction markets” or “banned Kalshi” may overstate the ruling. A decision about temporary relief can change what is enforceable now without resolving the entire statutory question. And a decision involving sports contracts may not automatically determine the status of contracts tied to elections, economics, or other events.

What Nevada users should take from the decision

- **Do not treat Kalshi as equivalent to a Nevada-licensed sportsbook.** The companies may offer products that look similar to consumers, but their claimed regulatory basis is different.
- **Do not assume “federally regulated” means immune from state action.** That is the core dispute, not a settled rule that applies to every contract.
- **Understand what the injunction did—and did not do.** Its removal changes the interim enforcement posture; it is not necessarily a final judgment on every legal issue.
- **Read product and account notices carefully.** Availability, contract offerings, and access can change in response to regulatory action or court orders.
- **Be cautious with volume claims.** Contracts traded, dollars wagered, and platform revenue are different measures.

Bottom line

After the Ninth Circuit decision, Kalshi no longer has the same injunction-based protection from Nevada enforcement. That makes the immediate legal environment more uncertain for the company and for users in the state. It does not, on its own, settle whether every event contract is gambling under Nevada law or a federally regulated derivative under the Commodity Exchange Act.

Fact: The injunction was removed, changing the temporary protection that had constrained enforcement.

Inference: Nevada may have greater room to pursue its position while the broader case continues. The ultimate outcome still depends on the remaining proceedings and the legal treatment of the specific contracts at issue.

So, is Kalshi legal in Nevada? The careful answer is that the platform’s legal position is contested, and the Ninth Circuit decision has made the enforcement risk more immediate. It is not accurate to describe the ruling as a blanket declaration that all prediction markets are lawful—or unlawful—in Nevada. This is general information, not legal advice; users and businesses should consult current court orders and qualified counsel before relying on any particular product’s availability.