



DINA TITUS  
MEMBER OF CONGRESS  
1ST DISTRICT NEVADA

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.

COMMITTEE ON  
TRANSPORTATION &  
INFRASTRUCTURE  
COMMITTEE ON  
FOREIGN AFFAIRS

April 1, 2025

Christopher Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

Dear Secretary Kirkpatrick,

As co-chair of the Congressional Gaming Caucus and the elected representative of Nevada's First Congressional District, I submit this letter to formally petition the Commission to require changes to the terms and conditions of all event contracts that involve the outcome of sports and political contests.<sup>1</sup> Specifically, I request that the Commission alter the terms and conditions of such contracts to require that individuals be prohibited from trading those contracts while physically present in the state of Nevada in violation of our laws and regulations. Additionally, I urge the Commission to exercise its authority to stay the listing of such contracts nationwide to ensure this unlawful activity does not persist as additional states, like New Jersey and Ohio have, determine if these contracts violate state law, and as a legal process unfolds in states, courts, and agencies.

In my comments to the Commission filed on February 21, 2025, I expressed concern about the public policy implications of certain platforms offering prediction contracts on the outcome of political and sports events.<sup>2</sup> Subsequently, on March 4, 2025, the Nevada Gaming Control Board issued a letter to Kalshi notifying them that offering event-based contracts is unlawful in Nevada without appropriate licensure, and demanding that Kalshi cease and desist offering such contracts in violation of Nevada laws and regulations.<sup>3</sup> On March 27, 2025, the New Jersey Division of Gaming Enforcement issued a cease and desist letter to both Kalshi and Robinhood, highlighting how their operations in the state violate both the New Jersey Sports Wagering Act and the New Jersey Constitution.<sup>4</sup> In response to these cease and desists, Kalshi has separately sued Nevada and New Jersey in federal court.<sup>5</sup> Similarly, yesterday, the Ohio Casino Control Commission also issued cease and desist notices to Kalshi, Robinhood, and Crypto.com, stating they are offering sports betting without necessary consumer protections or licensure in Ohio.<sup>6</sup>

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<sup>1</sup> See 17 CFR 40.2(c)

<sup>2</sup> *Letter to the CFTC, Comments on Prediction Markets Roundtable*. Congresswoman Dina Titus (NV-01), February 21, 2025.

<sup>3</sup> *Order to Cease and Desist Unlawful Activity in the State of Nevada*, Nevada Gaming Control Board, March 4, 2025.

<sup>4</sup> *Unauthorized Sports Wagering in New Jersey*, New Jersey Division of Gaming Enforcement, March 27, 2025.

<sup>5</sup> "Kalshi sues Nevada and New Jersey regulators over C&D orders." *Next.io*, March 31, 2025.

<sup>6</sup> "Ohio Casino Control Commission Demands Three Companies Offering Sporting Event Futures Contracts Cease in Ohio", *Ohio Casino Control Commission*, March 31, 2025.



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While I understand that the Commission has announced a process to collect additional information and data regarding prediction markets generally to inform future regulatory action, the Commission also has a responsibility to enjoin entities under its regulatory purview from actively violating the laws of Nevada, New Jersey, Ohio, and other jurisdictions during the pendency of this process. Therefore, pursuant to the Commodity Exchange Act, I request contracts related to political and sports events be stayed.<sup>7</sup>

I also urge the Commission to stay the trading of sports event contracts to consider whether Kalshi made false claims in its self-certification or has violated Commission laws and regulations. On January 17, 2025, Kalshi argued in a federal court case concerning election contracts that “gaming” involves games and conceded that sports contests are games, which would qualify as prohibited activities under the Commodity Exchange Act and applicable federal regulations.<sup>8</sup> Less than a week later, on January 22, 2025, Kalshi filed self-certification to list contracts on sports events and certified that “the contract complies with the [Commodity Exchange] Act and Commission regulations thereunder.”<sup>9</sup> This was done despite their previous comments in court outlining what they believe qualifies as gaming as well as their knowledge of the clear regulatory prohibitions on listing any contracts that involve gaming. The Commission should therefore consider if Kalshi filed a false certification and issue an appropriate stay during that proceeding, pursuant to Commission regulations.<sup>10</sup>

Additionally, as noted in the Commission’s final rulemaking to amend Part 40 of the CFTC’s self-certification regulations, a Designated Contract Market, of which Kalshi has been deemed by the Commission<sup>11</sup>, “has a continuing obligation to ensure that the contract complies with the CEA and Commission’s regulations thereunder.”<sup>12</sup> Kalshi appears in violation of Commission laws and regulations by offering a contract that is not only related to gaming, but is unlawful under “any State or Federal law.”<sup>13</sup> As previously referenced, Nevada, New Jersey, and Ohio have now all declared Kalshi’s offerings in violation of multiple laws including registering with state regulators, paying applicable taxes, registering in-person in Nevada, implementing a 21+ age limit on betting, betting on in-state college teams and events in New Jersey, and a variety of other provisions. Their so-called voluntary compliance with some state laws and regulations does not change that Kalshi has not registered with the gaming regulator in any state.

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<sup>7</sup> See 7 USC 12a(7)

<sup>8</sup> See 17 CFR 40.11 and *Kalshi v. CFTC Challenges Contracts on Political Events*, Brownstein, January 24, 2025.

<sup>9</sup> RE: *KalshiEX LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of the “Will <team> win <title>?” Contract*, January 22, 2025.

<sup>10</sup> See 17 CFR 40.2(c)

<sup>11</sup> *CFTC Designates KalshiEX LLC as a Contract Market*, CFTC, November 4, 2020.

<sup>12</sup> *Commodity Futures Trading Commission, Amendments to Provisions Common to Registered Entities, Final Rule*, September 12, 2024.

<sup>13</sup> See 17 CFR 40.11



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Furthermore, I urge the Commission to exercise its discretion under the law to “suspend or place restrictions” on Kalshi if it has been found, at any time, to be in violation of a state agency’s rules and regulations related to, among other things, gambling.<sup>14</sup> It seems clear that Kalshi’s, and similar platforms’, intent is not only to disregard the Commission’s process and procedure but also circumvent state abilities to regulate and tax gaming. While this process proceeds in agencies and courts across the country, Kalshi, Crypto.com, and any other website should not be allowed to offer these contracts. Therefore, I request the Commission to act on this petition and issue a stay.

Thank you for your attention to this matter. If the Commission has any questions, please contact Jeremy Marsh in my office.

Sincerely,

Dina Titus  
Member of Congress

CC: Acting Chairman Caroline D. Pham  
Commissioner Summer K. Mersinger  
Commissioner Kristin N. Johnson  
Commissioner Christy Goldsmith Romero

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<sup>14</sup> 7 U.S.C. § 12a(e)