UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

THE UNITED STATES OF AMERICA AND COMMODITY FUTURES TRADING COMMISSION, Plaintiffs, v. STATE OF WISCONSIN; ANTHONY S. EVERS, in his official capacity as Governor of WISCONSIN; JOSHUA L. KAUL, in his official capacity as Attorney General of WISCONSIN; STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION DIVISION OF GAMING; JOHN DILLETT, in his official capacity as Administrator of the Wisconsin Department of Administration Division of Gaming, Defendants.	Civil Action No.: 2:26-cv-749

MOTION TO INTERVENE BY NORTH AMERICAN DERIVATIVES EXCHANGE, INC., D/B/A CRYPTO.COM | DERIVATIVES NORTH AMERICA

North American Derivatives Exchange, Inc., d/b/a Crypto.com | Derivatives North America ("CDNA") respectfully moves this Court, under Federal Rule of Civil Procedure 24, for leave to intervene as a plaintiff in the above-captioned action (the "Action"). For the reasons discussed in the accompanying memorandum, CDNA is entitled to intervene in the Action as a matter of right under Federal Rule of Civil Procedure 24(a)(2). In the alternative, CDNA requests permissive intervention pursuant to Rule 24(b). In accordance with Rule 24(c), a proposed complaint is attached hereto as Exhibit 1.

WHEREFORE, CDNA requests that the court grant it leave to intervene in the Action.

Dated: May 12, 2026

Respectfully submitted,

/s/ Harper F. Beck ____

Eric G. Pearson (Wis. Bar No. 1064367)
Harper F. Beck (Wis. Bar No. 1115774)
FOLEY & LARDNER LLP
777 E. Wisconsin Avenue
Milwaukee, WI 53202-5306
Telephone: 414-319-7360
Facsimile: 414-297-4900
epearson@foley.com
harper.beck@foley.com

Nowell D. Bamberger (*pro hac vice* forthcoming)
Matthew C. Solomon (*pro hac vice* forthcoming)
CLEARY GOTTLIEB STEEN & HAMILTON LLP
2112 Pennsylvania Ave. NW
Washington, DC 20037
Telephone: 202-974-1500
nbamberger@cgsh.com
msolomon@cgsh.com

David Meister
Robert A. Fumerton
Judith A. Flumenbaum
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
One Manhattan West
New York, NY 10001
Telephone: (212) 735-3000
Facsimile: (917) 777-2000
david.meister@skadden.com
robert.fumerton@skadden.com
judy.flumenbaum@skadden.com

Shay Dvoretzky
Parker Rider-Longmaid
Sylvia O. Tsakos
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 New York Avenue NW
Washington, DC 20005
Telephone: (202) 371-7000
shay.dvoretzky@skadden.com
parker.rider-longmaid@skadden.com

sylvia.tsakos@skadden.com

Attorneys for North American Derivatives Exchange, Inc., d/b/a Crypto.com | Derivatives North America

CERTIFICATE OF SERVICE

I hereby certify that on May 12, 2026, I filed a copy of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record.

/s/ Harper F. Beck

Attorney for North American Derivatives Exchange, Inc., d/b/a Crypto.com | Derivatives North America

EXHIBIT 1

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

THE UNITED STATES OF AMERICA AND COMMODITY FUTURES TRADING COMMISSION, Plaintiffs, v. STATE OF WISCONSIN; ANTHONY S. EVERS, in his official capacity as Governor of WISCONSIN; JOSHUA L. KAUL, in his official capacity as Attorney General of WISCONSIN; STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION DIVISION OF GAMING; JOHN DILLETT, in his official capacity as Administrator of the Wisconsin Department of Administration Division of Gaming, Defendants.	Civil Action No.: 2:26-cv-749

PROPOSED COMPLAINT FOR PERMANENT INJUNCTION AND DECLARATORY RELIEF

Proposed Intervenor-Plaintiff, North American Derivatives Exchange, Inc., d/b/a Crypto.com | Derivatives North America ("CDNA"), by and through its undersigned counsel, brings this civil action for declaratory and injunctive relief, and alleges as follows:

INTRODUCTION

1. CDNA seeks declaratory and injunctive relief to restrain Defendants (individually and together, "Wisconsin"), from improperly and under color of Wisconsin state law assuming jurisdiction over, regulating and terminating CDNA's listing of lawful derivatives contracts on its federally regulated market.

2. CDNA is a federally regulated designated contract market ("DCM") which lists event contracts for trading in interstate commerce. Among other derivatives, CDNA makes available for trading certain event contracts that reference events associated with sporting events ("Sports Event Contracts"). CDNA is regulated by the U.S. Commodity Futures Trading Commission ("CFTC") and its listing of contracts that are authorized to be traded under federal law falls within the "exclusive jurisdiction" of the CFTC. 7 U.S.C. § 2(a)(1)(A).

3. In a civil enforcement action filed without warning on April 23, 2026 in Wisconsin state court against CDNA and its parent company, Wisconsin has purported to assert jurisdiction over CDNA (the "Wisconsin Enforcement Action"). *See* CDNA Mem. in Supp. of Mot. to Intervene Ex. 1, Wis. Enforcement Action Compl. ("Wis. Compl."). As described more fully *infra* ¶¶ 77–85, Wisconsin alleges that CDNA's listing of Sports Event Contracts constitutes the offer and sale of "bets" and violates Wisconsin state gambling statutes, including "criminal" statutes. *See* Wis. Compl. 56–67; Wis. Stat. § 945.01(1) *et seq.* CDNA has not been served the complaint in the Wisconsin Enforcement Action. Wisconsin seeks "preliminary and permanent" injunctive relief prohibiting CDNA from "making sports-related event contracts available for trading by customers located in Wisconsin." Wis. Compl. at 22; *see* CDNA Mem. in Supp. of Mot. to Intervene Ex. 2, Br. in Supp. of Mot. for Temporary Inj. at 37-38, *Wisconsin v. Foris Dax Markets*, No. 2026CV001286 (Wis. Cir. Ct. Dane Cnty. Apr. 23, 2026), Dkt. No. 7 ("Wis. Inj. Mot."). CDNA removed the Wisconsin Enforcement Action to the United States District Court for the Western District of Wisconsin pursuant to 28 U.S.C. §§ 1331, 1441(a), 1442(a), and 1446. *See* Notice of Removal at 1, *Wisconsin v. Foris Dax Markets*, 3:26-cv-00381 (W.D. Wis. Apr. 24, 2026), Dkt. No. 1.

4. The crux of Wisconsin's assertion of authority is its conclusion that, notwithstanding federal regulation, contracts traded on CDNA's exchange are "bets" subject to Wisconsin gambling laws, and are prohibited by Wisconsin law. *See* Wis. Compl. ¶¶ 57-67. But Wisconsin ignores that Congress expressly conferred "exclusive jurisdiction" over trading on DCMs to the CFTC to ensure a uniform national derivatives market. 7 U.S.C. § 2(a)(1)(A). Amendments to the Commodity Exchange Act, 7 U.S.C. § 1 *et seq.* ("CEA"), have reinforced that policy decision over many years, with Congress affirmatively excluding state authorities like Wisconsin from playing any role in overseeing contracts traded on federally regulated derivatives exchanges. *See infra* ¶¶ 29–42, 51–69. And federal courts have long recognized that the CFTC's regulation of the national derivatives market is exclusive and preempts state involvement. *See Am. Agric. Movement, Inc. v. Bd. of Trade*, 977 F.2d 1147, 1155–57 (7th Cir. 1992) (holding the CEA preempted state law whose application "would directly affect trading on or the operation of a futures market"); *KalshiEX, LLC v. Flaherty*, 172 F.4th 220, 228–231 (3d Cir. 2026) (finding field and conflict preemption and exclusive federal jurisdiction "over trades on DCMs"); *Kalshiex LLC v. Orgel*, 2026 WL 474869, at *9–*10 (M.D. Tenn. Feb. 19, 2026) (quoting *Am. Agric.*, 977 F.2d at 1156) (finding conflict preemption over "trading on or the operation of futures markets").[1]

[1] *See also, e.g.*, *Thrifty Oil Co. v. Bank of Am. Nat'l Trust & Sav. Ass'n*, 322 F.3d 1039, 1055–57 (9th Cir. 2003) (finding the CEA preempted California's Bucket Shop Law as applied to swaps exempted from coverage by the CEA); *Bibbo v. Dean Witter Reynolds, Inc.*, 151 F.3d 559, 560, 563–64 (6th Cir. 1998) (noting that "[f]utures trading is conducted on exchanges designated as contract markets by the [CFTC], an independent agency created by Congress in 1974 to exercise *exclusive jurisdiction* over accounts, agreements, and transactions involving commodities futures contracts traded or executed on a contract market" (emphasis added) and holding that a CEA regulation conflict preempted an Ohio statute that required payment to investors of any interest earned on collateral because it stood "as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress, as manifested in the language, structure and underlying goals of the CEA"); *Leist v. Simplot*, 638 F.2d 283, 322 (2d Cir. 1980) (holding CEA "preempts the application of state law" to futures trading); *Rasmussen v. Thomson & McKinnon Auchincloss Kohlmeyer, Inc.*, 608 F.2d 175, 178 (5th Cir. 1979) (per curiam) (affirming dismissal of a claim that trading in futures contracts violated Georgia gambling statute "on the ground that the

5. In this case and others across the country, the CFTC has brought actions to defend its exclusive jurisdiction over products traded on DCMs. *See, e.g.*, Compl., Dkt. No. 1 ("CFTC Compl."); *United States v. Arizona*, No. 2:26-cv-02246 (D. Ariz. filed Apr. 2, 2026); *United States v. Connecticut*, No. 3:26-cv-00498 (D. Conn. filed Apr. 2, 2026); *United States v. Illinois*, No. 1:26-cv-03659 (N.D. Ill. filed Apr. 2, 2026); *United States v. New York*, No. 1:26-cv-03404 (S.D.N.Y. filed Apr. 24, 2026); *see also* Amicus Br. for CFTC Supporting Appellant (CDNA), No. 25-7187 (9th Cir. Feb. 17, 2026), Dkt. No. 38.[2]

6. CDNA brings this action to obtain declaratory and injunctive relief to protect its right to offer event contracts pursuant to federal law and regulation.

7. Over the years, many states have sought to regulate trading of similar products under their state gambling laws based on their policy judgment that speculation on future events was, in effect, gambling. Congress, however, has always assumed control over the regulation of the derivatives markets at the federal level. And it consistently expanded the scope of the products covered by federal regulation, including to cover "swaps" and what are known as contracts on "excluded commodities." *See* 7 U.S.C. § 1a(19)(i)–(iv); *id.* § 1a(47).

8. Congress could not have been more clear that its purpose was to create a single, national derivatives market subject to regulation at the federal level. The CEA provides that the CFTC possesses "exclusive jurisdiction" over derivatives traded on these markets. 7 U.S.C. § 2(a)(1)(A). The CEA also recites Congressional findings that:

Commodity Exchange Act preempts all state laws inconsistent with its provisions").

[2] On May 5, 2026, in the CFTC's Arizona action, the district court held that "the CEA's granting of exclusive jurisdiction to the CFTC over swaps preempts state enforcement against event contracts," and it granted a preliminary injunction that restrains Arizona authorities "from enforcing Arizona's gambling laws" with respect "to event contracts listed on CFTC-regulated designated contract markets." Order at 6, 17, *KalshiEX v. Johnson et al.*, 2:26-cv-01715 (D. Ariz. May 5, 2026), Dkt. No. 96.

> The transactions subject to this chapter are entered into regularly in interstate and international commerce and are affected with a national public interest by providing a means for managing and assuming price risks, discovering prices, or disseminating pricing information through trading in liquid, fair and financially secure trading facilities.

7 U.S.C. § 5(a). It also cites Congress's intention for creating a regulated national market:

> It is the purpose of this chapter to serve the public interests described [above] through a system of effective self-regulation of trading facilities, clearing systems, market participants and market professionals under the oversight of the [CFTC].

Id. § 5(b).

9. CDNA has operated as a federally regulated DCM since 2004.[3] All of its products are certified pursuant to the CEA and established CFTC rules and are offered in compliance with CFTC regulations, including standards for contract specifications, market integrity, and trader protections. As a CFTC-registered self-regulatory organization, CDNA also administers a comprehensive market regulation program, functioning in a regulatory capacity to oversee trading in its markets. This program is subject to CFTC oversight and has been reviewed and approved by the CFTC.

10. Among CDNA's offerings are "event contracts" defined by the CEA and the CFTC as derivatives or swaps whose returns depend on the occurrence, non-occurrence, or extent of an occurrence of a specified event or contingency.[4] At issue here are CDNA's Sports Event

[3] The CFTC's orders approving CDNA's designation as a DCM are publicly available on the CFTC's Industry Filings page. *Industry Filings, N. Am. Derivatives Exchange, Inc.*, CFTC, https://tinyurl.com/ms262cwm.

[4] *See* 7 U.S.C. § 1a(47); *Industry Oversight: Contracts & Products*, CFTC, https://tinyurl.com/mv6hupp8. Examples of "Event Contracts" listed on the CFTC website include predicted "corporate earnings, level of snowfall, [and] dollar value of damage caused by a hurricane." *Id.*

Contracts, which are event contracts with return profiles dependent on the occurrence of specified events associated with a sports event, for example, a certain team or participant winning or losing.

11. When it granted the CFTC exclusive jurisdiction over trading on DCMs, Congress authorized the agency to review certain event contracts and prohibit them if it determines that their trading would be "contrary to the public interest." 7 U.S.C. § 7a-2(c)(5)(C). The CFTC has adopted a 90-day review process for assessing whether an event contract should be suspended as contrary to public interest. *See* 17 C.F.R. § 40.11. None of the contracts listed on CDNA's market are currently under such review by the CFTC, and none of the Sports Event Contracts offered for trading on CDNA has been prohibited.

12. Congress has expressly preempted state regulation of trading on DCMs by granting the CFTC "exclusive jurisdiction" to regulate trading on DCMs, including of options and "transactions involving swaps." 7 U.S.C. § 2(a)(1)(A). A savings clause allows states to regulate conduct that does *not* fall within the CFTC's exclusive jurisdiction, confirming that the CFTC's exclusive jurisdiction is indeed exclusive. *See id.*

13. Congress has fully occupied the field of regulating trading on federally registered DCMs, thereby preempting any overlapping state laws. Because CDNA's Sports Event Contracts are lawfully traded on a CFTC-registered DCM, federal law overrides state laws that might otherwise apply, including those cited by Wisconsin in the Wisconsin Enforcement Action. To the extent that Wisconsin law imposes regulations that overlap with the CEA's framework, it is preempted under Article VI, Clause 2 of the United States Constitution ("Supremacy Clause").

14. Insofar as it would prohibit CDNA from listing contracts that are authorized under federal law, Wisconsin law is also preempted because it conflicts with the CEA's framework. CDNA cannot comply with both its federal law obligations and any purported obligations under

Wisconsin law. Wisconsin law also undermines the purpose and objective of the CEA, including among other things, creating a uniform system of derivatives trading.

15. The Wisconsin Enforcement Action and Wisconsin's threats of criminal prosecution pose a direct and imminent threat to CDNA's business and disrupt the comprehensive federal framework that places CDNA's listing of event contracts exclusively under the CFTC's supervision.

16. A declaratory judgment and injunction are necessary to prevent further unlawful intrusion by Wisconsin into a market it has no legal authority to regulate.

JURISDICTION AND VENUE

17. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 because the claims in this case arise under the Constitution and the laws of the United States—specifically, whether Wisconsin law is preempted by the CEA as applied to CDNA's Sports Event Contracts. The Court also has jurisdiction pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201, to declare the rights and legal relations of the parties.

18. Venue is proper in this District under 28 U.S.C. § 1391(b) because at least one defendant resides in this District, a substantial part of events giving rise to the claims occurred in this district, and all Defendants are residents of the State.

PARTIES

19. Proposed Intervenor-Plaintiff CDNA is a financial services company with its principal place of business in Chicago, Illinois. CDNA operates a DCM and Derivatives Clearing Organization ("DCO") regulated by the CFTC under the CEA, where users can trade financial products, including Sports Event Contracts.

20. Plaintiff the United States of America regulates U.S. financial markets, and it enforces federal commodity derivatives laws through its agency, the CFTC.

21. Plaintiff the CFTC is an agency of the United States Government that regulates U.S. financial markets, and it enforces federal commodity derivatives laws. The CEA grants the CFTC authority to represent itself through its General Counsel. 7 U.S.C. § 2(a)(4).

22. Defendant State of Wisconsin is a state of the United States. The State of Wisconsin has initiated a civil action against CDNA, alleging that CDNA's offering of Sports Event Contracts authorized by federal law constitutes a public nuisance. *See, e.g.*, Wis. Compl. ¶¶ 8, 13, 67.

23. Defendant Anthony S. Evers is the Governor of Wisconsin and is sued in his official capacity. Under the Wisconsin Constitution, the Governor possesses "the executive power," "shall take care that the laws be faithfully executed," and "shall transact all necessary business with the officers of the government." Wis. Const. art. V, §§ 1, 4.

24. Defendant Joshua L. Kaul is the Attorney General for the State of Wisconsin and is sued in his official capacity. Wisconsin law tasks the Attorney General with directing and supervising the Department of Justice, which is authorized to enforce Wisconsin's gambling laws. *See* Wis. Stat. §§ 15.25, 165.60. Wisconsin law specifically authorizes the Attorney General to commence actions to abate public nuisances under certain circumstances. Wis. Stat. § 823.02. Defendant Kaul submitted the Wisconsin Enforcement Action complaint alleging that CDNA's offering of Sports Event Contracts authorized by federal law constitutes a public nuisance. *See* Wis. Compl. 22–23. Wisconsin law also specifically authorizes the Attorney General to commence actions to enforce Wisconsin's gambling laws. Wis. Stat. § 945.041.

25. Defendant Wisconsin Department of Administration Division of Gaming is an agency of the State of Wisconsin. The Department of Administration oversees certain of the State

of Wisconsin's regulatory and licensing activities concerning gambling. *See* Wis. Stat. §§ 562, 563, 569. The Division of Gaming regulates gambling in the State of Wisconsin, overseeing licensing, regulating, investigating and auditing casino operators, management companies, holding companies, key employees, casino gaming employees, and gaming-related vendors in Wisconsin.

26. Defendant John Dillett is the Administrator of the Wisconsin Division of Gaming and is sued in his official capacity. Wisconsin law authorizes the Administrator to direct and supervise certain of the State of Wisconsin's regulatory and licensing activities concerning gambling. *See* Wis. Stat. § 562.01(1)(4m).

27. Individually and together, Defendants are responsible for the regulation and enforcement of Wisconsin's gambling laws as applied to CDNA.

FACTUAL ALLEGATIONS

28. Defendants' effort to regulate and prohibit the trading of Sports Event Contracts listed on CDNA, a federally regulated DCM, is preempted by federal law and is unlawful. CDNA is entitled to a judicial declaration that its activities are not subject to Defendants' oversight, regulation, or jurisdiction, as well as an injunction barring the Defendants from any future enforcement efforts.

A. The CFTC Has Exclusive Jurisdiction to Regulate Derivatives Contracts on Federally Registered Markets.

29. Derivatives are financial instruments used to allocate risk between counterparties. The archetypal example is a grain futures contract, which allows buyers to lock in prices and manage volatility in agricultural markets by agreeing to buy or sell a specified amount of the crop at a fixed price on a future date.

30. As financial markets have matured, the category of derivatives has expanded significantly beyond futures based on agricultural commodities, enabling participants to hedge

against volatility across a wide array of tangible and intangible areas, including commodities like gold, financial benchmarks such as interest rates, and even weather or credit risk. In principle, nearly any form of risk—economic, environmental, or event-driven—can be hedged if a CFTC-regulated market exists and a contract is available. Derivatives contracts can also enable the public to aggregate expectations and beliefs about real-world events.

31. For more than a century, the federal government has regulated national derivatives markets in order to promote uniformity and integrity in national trading.

32. Before the adoption of the CEA and its predecessor, the 1922 Grain Futures Act, futures contracts were often viewed with suspicion by state legislatures. Because derivatives markets necessarily involve the exchange of money tied to uncertain outcomes, some states equated them to gambling and sought to restrict or prohibit their use. This led to a disjointed and often conflicting state-by-state approach.

33. The CEA, enacted in 1936, was intended to replace the fragmented system of state oversight with a uniform federal framework for regulating futures markets. It extended federal authority beyond grain to a broader class of commodities and created the Commodity Exchange Authority, a division within the Department of Agriculture charged with monitoring trading practices and prosecuting price manipulation. But the CEA did not initially establish an independent federal agency to comprehensively regulate the nation's derivatives markets. As markets grew more complex, lawmakers and industry participants became concerned that the lack of centralized enforcement would invite states to regulate futures trading on their own, leading to inconsistent standards across jurisdictions.

34. In response, Congress enacted sweeping amendments to the CEA in 1974 (the "1974 Act"), which established the CFTC as an independent federal agency charged with

regulating the national derivatives markets. To eliminate the threat of conflicting state regulation, Congress expressly granted the CFTC "exclusive jurisdiction" over derivatives trading on federally regulated exchanges. 7 U.S.C. § 2(a)(1)(A).

35. Proponents of the 1974 Act warned that, absent a single national regulator, "states . . . might step in to regulate the futures markets themselves," subjecting national exchanges to "conflicting regulatory demands." *Am. Agric. Movement, Inc.*, 977 F.2d at 1155–56. As one Senator put it, "different State laws would just lead to total chaos." *Commodity Futures Trading Commission Act: Hearings Before the Senate Committee on Agriculture & Forestry*, 93rd Cong., 2d Sess. 685 (1974) (hereinafter "Senate Hearings") (statement of Sen. Clark). The House Agriculture Committee stressed the need to bring "all exchanges and all persons in the industry under the same set of rules and regulations for the protection of all concerned." H.R. Rep. No. 93-975, at 79 (1974). To that end, the Senate deliberately removed a provision of the CEA that would have preserved state regulatory authority "in order to assure that [f]ederal preemption is complete." *See* 120 Cong. Rec. 30,464 (1974) (statements of Sen. Curtis, supported by Sen. Talmadge).

36. Congress's intent to vest the CFTC with exclusive authority over derivatives trading on DCMs is further demonstrated by subsequent amendments to the CEA, including the 1992 Futures Trading Practices Act ("FTPA"). That law authorized the CFTC, in order to promote innovation, to exempt certain financial instruments from the requirement that they be traded on a registered exchange. *See* 7 U.S.C. § 6(c). Because the preemption provision in 7 U.S.C. § 2 applies only to derivatives traded on CFTC-registered markets, Congress included a separate provision in the FTPA explicitly preempting "any State or local law that prohibits or regulates gaming" with respect to any agreement, contract, or transaction exempted from the exchange-trading requirement. 7 U.S.C. § 16(e)(2). That provision extended the scope of federal preemption

to off-exchange transactions under the CFTC's oversight, reinforcing Congress's intent to create a comprehensive and uniform federal framework for derivatives regulation.

37. The creation of the CFTC and the centralization of derivatives market regulation within a single independent federal agency reflect a clear exercise of Congress's authority to regulate interstate commerce and establish consistent national rules. As mandated by the CEA, which was significantly amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), the CFTC has adopted regulations setting out "Core Principles" that DCMs must follow. For example, one Core Principle requires DCMs to offer impartial access to their markets and services to users across the country. *See* 17 C.F.R. § 38.151(b). Compliance with a patchwork of differing state regulations would undermine this obligation and make it impossible for DCMs like CDNA to comply with the CFTC's impartial access rule.

38. Congress's decision to create a national market for derivatives products reflected a federal policy choice to permit their trading—pursuant to federal regulation—even if individual states might have preferred to prohibit them. Since their inception, derivatives contracts have been the subject of ongoing debate over whether they should be treated as a form of gambling, with some arguing that they should only be permitted where a party to a contract has actual exposure to an underlying commercial risk they are attempting to hedge.

39. But Congress and the CFTC have entirely rejected this approach. Instead, the federal policy has been to recognize the legitimacy of speculative trading and its role in supporting market liquidity. As one scholar observed, this reflects a federal commitment to "acknowledge the legitimacy of futures contracts" and "the need for speculative capital to provide liquidity to the markets." William L. Stein, *The Exchange-Trading Requirement of the Commodity Exchange Act*, 41 Vand. L. Rev. 473, 477 (1988).

40. The CFTC has confirmed this approach by bringing actions against the states and state regulators in five states, including Wisconsin here, alleging that federal law preempts state law regulating event contracts traded on federally regulated markets. *See* CFTC Compl.; *United States v. Arizona*, No. 2:26-cv-02246 (D. Ariz. filed Apr. 2, 2026); *United States v. Connecticut*, No. 3:26-cv-00498 (D. Conn. filed Apr. 2, 2026); *United States v. Illinois*, No. 1:26-cv-03659 (N.D. Ill. filed Apr. 2, 2026); *United States v. New York*, No. 1:26-cv-03404 (S.D.N.Y. filed Apr. 24, 2026); *see also* Order, *KalshiEX v. Johnson et al*., 2:26-cv-01715 (D. Ariz. May 5, 2026), Dkt. No. 96 (granting preliminary injunction to CFTC). The CFTC has also submitted a brief as an amicus curiae supporting CDNA's action brought against state regulators in Nevada. Amicus Br. for CFTC Supporting Appellant (CDNA), No. 25-7187 (9th Cir. Feb. 17, 2026), Dkt. No. 38.

41. The CFTC has also issued an Advanced Notice of Proposed Rulemaking Relating to Prediction Markets, 91 Fed. Reg. 12516 (proposed Mar. 16, 2026), and a Prediction Markets Advisory explaining that event contracts are "swaps" under the CEA, CFTC Letter No. 26-08, at 2.

42. Congress's longstanding policy of permitting broad market participation is integral to the healthy functioning of these markets. Restricting financial derivatives to participants with a direct risk in the outcome would diminish liquidity, impair information aggregation, and undermine the market's essential role in allocating and managing risk. *See* William L. Stein, *The Exchange-Trading Requirement of the Commodity Exchange Act*, 41 Vand. L. Rev. 473, 482–485 (1988) (describing the policy rationale behind restricting futures trading to designated exchanges).

B. Event Contracts Are Exchange-Traded Financial Instruments Used for Allocating Risk.

43. Event contracts are exchange-traded financial instruments, known as derivatives or swaps, that facilitate risk allocation to specified occurrences, non-occurrences, or extents of

occurrences of underlying future events or contingencies. *See* 7 U.S.C. § 1(a)(47) (defining "swap").

44. Event contracts typically reference the occurrence or non-occurrence of an event or contingency, represented by "yes" or "no" positions. A trader who takes an event contract with the "yes" position profits if the specified event or contingency occurs by the expiration date, while the "no" position purchaser profits if it does not. An active position may also be closed at a profit or loss prior to the occurrence or non-occurrence of the specified event or contingency.

45. An event contract might be tied to specified movements of a financial index or a real-world event. For example, an event contract could be tied to changes in the yield on the 10-year U.S. Treasury note, the magnitude of the upcoming hurricane season, or to the events or contingencies associated with political, scientific or live sporting events. But, outside of its authority to prohibit specifically enumerated event contracts that it subsequently determines are contrary to the public interest, the CFTC does not purport to define what events are or are not properly the subject of event contracts. Rather, the regulatory approach that Congress has directed and that the CFTC has pursued is to allow the market to define the nature of the events on which parties wish to contract.

46. The price of an event contract is determined by market forces, namely the supply and demand for entering into the "yes" and "no" positions of the contract. An event contract has a set expiration date, and the price of an event contract will fluctuate along with the market's perception of the likelihood of an event or contingency's occurrence until settling at a final price on the expiration date.

47. The operator of a DCM on which event contracts are traded facilitates their trading by matching counterparties to each other. Unlike casinos, a DCM that lists an event contract does

not act as a "bookmaker." It does not take opposing positions or set odds. Instead, it facilitates a neutral, transparent marketplace where prices are established openly among participants based on supply and demand.

48. Event contracts allow market participants, including those with a financial stake in the occurrence or non-occurrence of a particular event or contingency, to hedge against related risks. These contracts have become a valuable risk management tool because they are linked to real-world events and contingencies with commercial consequences and offer public utility by reflecting the market's aggregated expectations about whether those events or contingencies will occur. Event contracts where the underlying event or contingency relates to a sporting event may be used to hedge this type of risk across a variety of commercial scenarios, including:

a. Media and broadcasting companies that face financial exposure tied to viewership, which can fluctuate significantly depending on how competitive or compelling a game is;

b. Retailers that sell team merchandise or apparel who see major swings in sales depending on whether a popular team advances or whether a player affiliated with their brand wins a championship;

c. Travel and hospitality businesses that experience spikes in bookings if a local team advances or hosts a high-profile event, creating exposure to outcomes they cannot control;

d. Consumer goods companies, especially in the food and beverage industry, that run promotions tied to game results. These campaigns, while effective for marketing, can carry substantial liabilities if the promotional conditions are met. Advertisers and

retailers offering giveaways or rebates based on a team's success face similar exposure; and

e. Fantasy sports platforms and sports data providers that rely on fan engagement and player performance, where a dull game or early elimination of a key player can significantly reduce user participation and revenue.

49. These are just a few examples, but they underscore a broader point: Many businesses across diverse industries have meaningful financial exposure to the occurrence, non-occurrence, or extent of occurrence of events or contingencies connected to sporting events and may seek to manage that risk through event contracts.

C. The CEA and CFTC Regulations Establish a Comprehensive Federal Regulatory Framework for Trading in Event Contracts and Other Derivatives.

50. The federal regulatory framework governing DCMs and the trading of derivatives contracts on them is longstanding, comprehensive, and well-established.

51. To offer derivatives for public trading, an entity must obtain designation from the CFTC as a contract market. *See* 7 U.S.C. §§ 2(e), 7(a); 17 C.F.R. § 38.3(a).

52. To receive this designation, an applicant must submit detailed materials demonstrating compliance with the CEA's Core Principles. *See* 17 C.F.R. § 38.3(a)(2); 7 U.S.C. § 7(d). This requires it to show it can and will (1) comply with all CFTC requirements imposed by rule or regulation, (2) establish, monitor and enforce compliance with the rules, (3) list only contracts that are not readily susceptible to manipulation, (4) have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and enforcement, and (5) adopt position limitations for

each contract to reduce the threat of market manipulation. *See* 17 C.F.R. §§ 38.100, 38.150, 38.200, 38.250, 38.300.

53. If approved by the CFTC and granted designation as a contract market, a DCM becomes subject to an extensive federal regulatory framework administered by the CFTC. DCMs are required to meet a wide range of ongoing regulatory obligations to remain in good standing, including: prescriptive capital and liquidity requirements, participant eligibility requirements, reporting obligations, recordkeeping requirements, and numerous operational and governance standards directed toward compliance with the CEA and its Core Principles. *See* 17 C.F.R. §§ 1.31, 38.450, 38.451, 38.604, 38.950, 38.1051(i), 38.1101; 7 U.S.C. § 7(d); *see generally* 17 C.F.R. pt. 38.

54. Moreover, because of the breadth and depth of the regulatory framework applicable to and advanced by DCMs, a market that has earned the CFTC's designation is granted the status of a self-regulatory organization under federal law. As such, DCMs are entrusted with front-line responsibilities for establishing rules and enforcing their compliance, detecting and preventing market abuses, and ensuring the integrity of their listed products and intermediaries. *See* 17 C.F.R. §§ 1.3, pt. 38. CDNA performs these and many other regulatory functions under the delegated authority of the federal government, performing functions the CFTC would otherwise be required to perform itself.

55. As a registered DCM and self-regulatory organization, CDNA is permitted to list derivatives for trading without obtaining the CFTC's prior approval for each individual contract. However, it must adhere to product-related regulatory standards and certify that each new contract complies with applicable law by filing a written certification with the CFTC prior to the time of listing. *See* 7 U.S.C. § 7a-2(c)(1); 17 C.F.R. § 40.2(a).

56. Written certifications are subject to CFTC regulation, and the CFTC may initiate a formal review of any submitted contract under its authority. *See* 7 U.S.C. § 7a-2(c)(2); 17 C.F.R. §§ 40.2, 40.11(c). After a stipulated period of time, if the CFTC does not take action, the contract is deemed "effective" and may be listed on the DCM for trading. *See* 7 U.S.C. § 7a-2(c); *see also* 17 C.F.R. § 40.2 (outlining the process for listing products for trading by certification).

57. The Sports Event Contracts at issue in this case have all been certified and deemed "effective." *See infra* ¶¶ 72–75.

D. The CFTC's Enforcement Authority over DCMs and Its Power to Prohibit Event Contracts Contrary to the Public Interest.

58. In addition to regulatory oversight authority, the CFTC possesses exclusive and comprehensive enforcement powers with respect to trading on DCMs.

59. The CFTC's Division of Enforcement may initiate investigations and, with the approval of a majority of the CFTC, bring enforcement actions in federal court or through administrative proceedings. *See* CFTC Division of Enforcement, Enforcement Manual (2020), at § 3.3. If the Division concludes that a violation of the CEA has occurred, it may recommend the CFTC pursue a broad range of remedies, including civil monetary penalties, restitution, and disgorgement, as well as the suspension, denial, revocation, or restriction of registration and trading privileges. *Id.* The CFTC may also pursue injunctive relief, including cease-and-desist orders, and can refer criminal violations to the Department of Justice for prosecution. *Id.*

60. The scope of the CFTC's authority extends not only to market participants, but also to the types of derivatives products traded on DCMs. The CFTC regulates a broad range of derivatives, including those based on physical commodities like wheat, cotton, rice, corn, and oats, as well as "excluded commodities" that are not tangible such as interest rates, financial instruments, economic indices, risk metrics, and events. 7 U.S.C. § 1a(9), (19)(i)–(iv).

61. The CFTC regulates event contracts, including the Sports Event Contracts at issue here, as a subcategory of derivatives that reference an "excluded commodity." *See id.* § 1a(47)(A)(ii), (iv), (vi). "Event contracts" are defined broadly under the CEA as relating to any "occurrence, extent of an occurrence, or contingency" that is "beyond the control of the parties to the relevant contract" and "associated with" economic consequences. 7 U.S.C. § 7a-2(c)(5)(C)(i), § 1a(19)(iv). Events themselves are excluded commodities under the CEA. *See* 7 U.S.C. § 7a-2(c)(5)(C)(i).

62. Because the events and contingencies underlying the Sports Event Contracts are associated with potential financial, economic, or commercial consequences, Sports Event Contracts are also "swaps" under the CEA. 7 U.S.C. § 1a(47)(A).

63. In 2010, the Dodd-Frank Act amendments to the CEA also specifically addressed event contracts. The amended statute created a "Special Rule" for event contracts that granted the CFTC discretionary authority to determine whether specific event contracts are "contrary to the public interest" and prohibit them from trading on DCMs.

64. This discretionary authority applies where, in the CFTC's determination, a contract references an underlying activity that falls into one of several specifically enumerated categories listed in the CEA that may warrant further review as to whether allowing such contracts to trade would be in the public interest. These categories include terrorism, assassination, war, gaming, activity that is unlawful under federal or state law, or other similar activity, and is contrary to the public interest. *See* 7 U.S.C. § 7a-2(c)(5)(C)(i).

65. This Special Rule does not require the CFTC to disallow event contracts referencing these underlying activities, but grants the agency the discretion to conduct a public interest review based on its own criteria.

66. The CFTC's authority is focused not on the terms of the event contract itself, but on the nature of the underlying event or contingency. While federal law generally authorizes the trading of event contracts, the CFTC may prohibit contracts from being listed or traded on DCMs where the referenced activity (*i.e.*, the "excluded commodity") "involves, or relates to" specifically enumerated conduct that the CFTC determines to be contrary to the public interest. 17 C.F.R. § 40.11.

67. This framework reflects a deliberate policy choice: Congress did not authorize or delegate to states the power to override or nullify federal authorization of event contracts by deeming them unlawful under state law. Rather, Congress granted the CFTC exclusive authority to establish the criteria and process for assessing whether a referenced activity should be disallowed from underlying an event contract trading on national derivatives markets as contrary to the public interest. Pursuant to this authority, the CFTC has promulgated regulations that establish procedures by which the CFTC may determine whether trading in a specific contract should be suspended. *See* 17 C.F.R. § 40.11. This includes placing the contract in a 90-day review period, at the conclusion of which the CFTC may determine a contract is contrary to the public interest and order the DCM to suspend its trading. *See* 17 C.F.R. § 40.11(c).

68. The Sports Event Contracts at issue and currently being offered in this case have not been subjected to a 90-day review, have not been determined to be contrary to the public interest, and have not been ordered to be suspended from trading by the CFTC.

E. CDNA Is a Federally Regulated DCM That Lists Sports Event Contracts.

69. CDNA is a federally regulated DCM that provides a market for trading a variety of derivatives products, including Sports Event Contracts that are based on the occurrence, non-occurrence, or extent of occurrence of events or contingencies associated with live sporting events.

70. The CFTC first approved CDNA as a DCM in 2004, confirming that its market complied with the CEA. Most recently in September 2025, the CFTC amended its registration, again confirming CDNA's compliance with the CEA. For two decades, the entity now known as CDNA has operated continuously as a CFTC-regulated market offering event contracts.

71. As an early entrant in the regulated event contract space, CDNA specializes in event contract trading and has steadily expanded its offerings over time. Its market provides a secure, federally approved exchange where individual, retail, and institutional participants can hedge risk and aggregate information.

72. On January 30, 2025, pursuant to 7 U.S.C. § 7a-2(c)(1) and 17 C.F.R. §§ 40.2(a), CDNA certified and announced its intention to list a new category of event contracts: "Contingent Derivatives Contract (Industry Event - Live Presentations – NAICS 711)."[5] These contracts allow users to trade on the occurrence, non-occurrence, or extent of occurrence of events or contingencies relating to lawful live events in the performing arts, spectator sports, and related industries, provided the users themselves are not participants in the events. Jan. 30, 2025 Filing at 4–5.

73. CDNA designed these event contracts to manage the risk of a variety of market participants, whose businesses face economic consequences based on the outcome of a respective Industry Event, and to enable price discovery for related commercial enterprises. Examples include contracts tied to the winner of an award like "Best Picture," the location of a flagship event or ceremony, or the winner of a live sporting event like the Super Bowl.

[5] CDNA's January 30, 2025 certification pertaining to these Sports Event Contracts is publicly available on the CFTC's website. *Industry Filings, Certification of Contingent Derivatives Contract (Industry Event – Live Presentations – NAICS 711) – Submission Pursuant to Commission Regulation 40.2(a)*, CFTC, https://tinyurl.com/2fyu9tw8 (Jan. 30, 2025) ("Jan. 30, 2025 Filing").

74. CDNA's "Industry Event - Live Presentations" contracts listed on January 30, 2025 became effective under the process described *supra* ¶¶ 55–56. As discussed, a subset of these contracts reference the occurrence, non-occurrence, or extent of the occurrence of events or contingencies associated with live sporting events, meaning they are Sports Event Contracts.

75. CDNA subsequently certified additional Sports Event Contracts that reference the occurrence, non-occurrence, or extent of the occurrence of events or contingencies associated with live sporting events, including its certification of "Contingent Derivatives Deci Contract (Industry Event – Live Presentations – NAICS 711)," filed on July 30, 2025,[6] and "Derivatives Contract (Industry Event – Live Presentations – Statistics)," filed on August 29, 2025.[7] As with the Sports Event Contracts certified under CDNA's January 30, 2025 Industry Filing, CDNA identified in these certifications the financial, commercial, and economic consequences associated with the underlying events.

F. Wisconsin Brings a Civil Enforcement Action Against CDNA, and the CFTC Acts to Protect Its Exclusive Jurisdiction.

76. On April 23, 2026, the State of Wisconsin filed the Wisconsin Enforcement Action against CDNA in the State of Wisconsin Circuit Court, Dane County. *See* Wis. Compl. 1.

77. Wisconsin filed the Wisconsin Enforcement Action without informing CDNA of any concerns, attempting to reach an amicable resolution, or warning CDNA of any coming lawsuit.

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[6] CDNA's July 30, 2025 certification pertaining to these Sports Event Contracts is publicly available on the CFTC's website. *Industry Filings, Certification of Contingent Derivatives Deci Contract (Industry Event – Live Presentations – NAICS 711) – Submission Pursuant to Commission Regulation 40.2(a)*, CFTC, https://tinyurl.com/rkrwv99v (July 30, 2025).

[7] CDNA's August 29, 2025 certification pertaining to these Sports Event Contracts is publicly available on the CFTC's website. *Industry Filings, Certification of Derivatives Contract (Industry Event – Live Presentations – Statistics) – Submission Pursuant to Commission Regulation 40.2(a)*, CFTC, https://tinyurl.com/4r6v37cm (Aug. 29, 2025).

78. Wisconsin claimed that CDNA's hosting of Sports Event Contracts—products which are and remain federally regulated event contracts subject to the exclusive jurisdiction of the CFTC—constitutes an abatable public nuisance under Wisconsin state law. *See* Wis. Compl. ¶¶ 54–67.

79. Wisconsin alleges that CDNA's listing of Sports Event Contracts constitutes the offer and sale of "bets," as defined under Wis. Stat. § 945.01(1). *Id.* ¶ 60. It alleges further that CDNA violates Wis. Stat. §§ 945.03(1m)(b), (c), & (g) by "for gain, receiv[ing], record[ing] or forward[ing] a bet"; "[f]or gain, becom[ing] a custodian of anything of value bet or offered to be bet"; and "[f]or gain, us[ing] a wire communication facility for the transmission or receipt of information assisting in the placing of a bet or offer to bet on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of a bet or offer to bet." *Id.* ¶ 61–63. In effect, Wisconsin alleges that by listing Sports Events Contracts for trade on its DCM, CDNA violates the state's gambling statutes. Wis. Stat. § 945.01 *et seq*. Wisconsin seeks (i) a declaratory judgment holding that CDNA's offering of Sports Event Contracts to customers located in Wisconsin violates Wisconsin state law; and (ii) preliminary and permanent injunctive relief enjoining and restraining CDNA from offering or continuing to offer Sports Events Contracts to customers located in Wisconsin. *Id.* at 22. CDNA has not yet been served with the complaint in the Wisconsin Enforcement Action.

80. Wisconsin moved for a temporary injunction against CDNA the same day it filed the Wisconsin Enforcement Action, and in doing so, made clear that its case against CDNA is premised on a direct challenge to the CFTC's exclusive jurisdiction over event contracts traded on federally regulated DCMs. In its supporting brief, Wisconsin affirmatively argued that federal law does not preempt Wisconsin's gambling statutes as applied to Sports Event Contracts and that the

CFTC does not have exclusive jurisdiction over such contracts. *See* Wis. Inj. Mot. at 16, 20–23 (contending, among other things, that Sports Event Contracts "are not 'swaps' covered by the Commodities Exchange Act" and that the CEA's grant of "exclusive jurisdiction" merely "allocate[es] authority among federal regulatory agencies" rather than preempting state law). Wisconsin's challenge to the CFTC's exclusive jurisdiction over event contracts traded on federally regulated DCMs is the very issue that prompted Plaintiffs to bring this Action. *See* CFTC Compl. ¶¶ 1–3.

81. On April 24, 2026, CDNA removed the Wisconsin Enforcement Action to the United States District Court for the Western District of Wisconsin under 28 U.S.C. §§ 1331, 1441(a), 1442(a), and 1446. Removal is proper because Wisconsin's claims necessarily raise disputed and substantial questions of federal law; its claims are subject to complete preemption; CDNA acted under authority delegated by the CFTC; and Wisconsin has artfully pleaded its Complaint to avoid naming the CFTC as a necessary party.

82. Wisconsin filed the Wisconsin Enforcement Action against CDNA the same day it filed similar lawsuits against DCMs, Polymarket and Kalshi, and Futures Commission Merchants ("FCMs"), Robinhood and Coinbase. *See Wisconsin v. Blockratize Inc.,* No. 2026CV001285 (filed Apr. 23, 2026); *Wisconsin v. Kalshi Inc.*, No. 2026CV001284 (filed Apr. 23, 2026). Defendants also removed those cases to federal court. Notice of Removal, *Wisconsin v. Blockratize Inc.,* 3:26-cv-00375 (W.D. Wis. Apr. 24, 2026), Dkt. No. 1; Notice of Removal, *Wisconsin v. Kalshi Inc*., 3:26-cv-00378 (W.D. Wis. Apr. 24, 2026), Dkt. No. 1.

83. While the Wisconsin Enforcement Action focuses on Sports Event Contracts, Wisconsin does not disclaim the intent to enforce Wisconsin's supposed definition of "bet" against any and all other event contracts.[8]

84. Wisconsin has also demonstrated an intent to pursue criminal relief, contending that CDNA's "criminal violations of Wis. Stat. § 945.03(1m) are repeated and ongoing." Wis. Compl. ¶ 67.

85. The Wisconsin Enforcement Action constitutes enforcement of preempted state law against CDNA.

86. On April 28, 2026, the CFTC filed this lawsuit to protect its exclusive jurisdiction over regulating derivatives trading on DCMs. *See* CFTC Compl.

G. Defendants' Enforcement Actions Irreparably Harm CDNA and Interfere with Its Ability to Conduct Federally Regulated Activities.

87. CDNA's rulebook sets forth over 50 different event contracts, all of which are subject to federal regulation pursuant to the process described above.

88. Defendants' unlawful ongoing and forthcoming enforcement violates the Supremacy Clause of the U.S. Constitution and subjects CDNA and its customers to irreparable harm.

89. Standing alone, the Wisconsin Civil Enforcement Action irreparably harms CDNA. The action's very existence damages CDNA's reputational and goodwill interests and causes economic losses, while a finding of legal liability would cause further economic losses, loss of

[8] To be clear, CDNA maintains that Sports Event Contracts are not "bets" under Wisconsin law. *See* Wis. Stat. § 945.01(1) ("[A] bet does not include: (a) Bona fide business transactions which are valid under the law of contracts including without limitation: 1. Contracts for the purchase or sale at a future date of securities or other commodities."). But Wisconsin has endorsed an overbroad conception of "bet."

goodwill and reputation, the infringement of CDNA's right to offer products authorized by federal law, and impairment of existing contractual relationships.

90. Any ongoing or forthcoming economic losses are likely unrecoverable because sovereign immunity bars recovery for monetary damages. *See Alden v. Maine*, 527 U.S. 706, 712–13 (1999). Damages that are unrecoverable due to sovereign immunity constitute irreparable harm. *See*, *e.g.*, *Staffing Servs. Ass'n of Ill. v. Flanagan*, 720 F. Supp. 3d 627, 641 (N.D. Ill. 2024) (finding irreparable harm where "[s]overeign immunity prevents Plaintiffs from seeking compensatory damages" from a government agency); *Cmty. Pharmacies of Ind., Inc. v. Ind. Fam. & Soc. Servs. Admin.*, 801 F. Supp. 2d 802, 806 (S.D. Ind. 2011) (similar).

91. The Wisconsin Enforcement Action also has a chilling effect on the type of event contracts that CDNA may offer in Wisconsin. While the Wisconsin Enforcement Action targets currently listed Sports Event Contracts, the boundaries of Wisconsin's purported regulatory reach remain unclear as Wisconsin appears to allege any contract "related" to sports may be targeted. *See*, *e.g.*, Wis. Compl. ¶ 58 (alleging "[e]ach sports-related event contract . . . represents a 'bet'"). In fact, since Wisconsin does not disclaim the intent to enforce Wisconsin's supposed definition of "bet" against any and all other event contracts, CDNA has a protectable interest in its rights to offer *any* event contracts in Wisconsin at all without being subjected to enforcement proceedings.

92. The relief sought by Wisconsin in the Wisconsin Enforcement Action—an injunction preventing it from offering Sports Event Contracts to customers located in Wisconsin—would also cause CDNA irreparable harm. Ceasing to permit Wisconsin residents to purchase or sell event contracts would deprive CDNA of the revenue that it would otherwise derive from trading of event contracts by Wisconsin residents, and of its right to offer products authorized by

federal law. *See Cmty. Pharmacies of Ind., Inc.*, 801 F. Supp. 2d at 806 (finding irreparable harm where compliance with likely unlawful policy would cause economic losses).

93. Attempting to withdraw from Wisconsin would also cause serious logistical and technological difficulties for CDNA, as CDNA does not currently possess the technological capacity to geolocate all of its users and exclude users from certain contracts based on their location. Surmounting these logistical and technical difficulties would cause significant and unrecoverable economic losses.

94. Withdrawing from Wisconsin would also cause CDNA competitive injury because CDNA would lose the ability to compete as a market for event contracts against other federally registered DCMs currently operating in the state. This would likewise deprive CDNA of goodwill.

95. If CDNA were to submit to the regulatory oversight of Wisconsin to end the current enforcement action and avoid future enforcement, CDNA would be subjected to a regulatory regime inherently in conflict with CFTC regulations, including its Core Principles, and the very concept of a registered DCM.

96. More broadly, it would be entirely impracticable for CDNA to subject itself to the often conflicting regulations of each of the states in which it offers federally regulated event contracts for trading. Accepting such jurisdiction would subject CDNA to the very patchwork of state regulation (including prohibitions, regulations, reporting obligations, registration costs, and other rules) that Congress expressly preempted under the CEA. Different states have taken different approaches to regulation of online gambling. Many states permit online gambling, subject to state-level regulation. Others, such as Utah, prohibit it entirely. It would be impossible for CDNA to both offer "impartial access" to its DCM as required by 17 C.F.R. § 38.151(b) and simultaneously comply with state gambling laws in 50 states.

97. CDNA cannot avoid this ongoing impairment to its interests by somehow complying with Wisconsin gambling laws. Wisconsin represents that, in its view, CDNA is categorically forbidden from offering event contracts in Wisconsin because no "exceptions apply to non-tribal sports betting operations in Wisconsin, which remain illegal under chapter 945." Wis. Compl. ¶ 38.

98. The threat of future civil and criminal enforcement against CDNA further irreparably harms CDNA. A plaintiff suffers irreparable harm if it faces a "Hobson's choice: continually violate the [state] law and expose [itself] to potentially huge liability," or "suffer the injury of obeying the law during the pendency of the proceedings and any further review." *Morales v. Trans World Airlines, Inc.*, 504 U.S. 374, 381 (1992). Absent the relief sought from this Court, inaction in the face of Wisconsin's threats of future enforcement would expose CDNA to the risk of imminent criminal enforcement and even criminal liability, which would threaten CDNA's business, reputation, goodwill, contractual relationships, and more. On the other hand, withdrawal from Wisconsin exposes CDNA to the irreparable harms discussed above.

99. Finally, CDNA is inevitably and irreparably harmed by the regulatory overhang of Wisconsin's assertion of jurisdiction. Regardless of how CDNA proceeds, the very existence of the Wisconsin Enforcement Action and Wisconsin's threats of criminal prosecution create significant regulatory and reputational uncertainty and risk.

100. CDNA has no plain, speedy, or adequate remedy at law to address the wrongs described herein.

101. CDNA therefore seeks to intervene in this Action to seek declaratory and injunctive relief restraining Defendants from enforcing Wisconsin law that the CEA preempts, and that interferes with the operation and function of CDNA's market described herein.

COUNT I

(Express Preemption – Against All Defendants)

102. Proposed Intervenor-Plaintiff incorporates all prior paragraphs by reference.

103. Under 28 U.S.C. § 2201, the Court may, "[i]n a case of actual controversy within its jurisdiction . . . declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."

104. An actual controversy exists between CDNA, on the one hand, and the Defendants, on the other, regarding whether any of the Defendants has legal authority to regulate the trading of Sports Event Contracts allegedly forbidden by Wisconsin law.

105. Wis. Stat. § 945.01(1) defines "bet" to include "a bargain in which the parties agree that, dependent upon chance even though accompanied by some skill, one stands to win or lose something of value specified in the agreement," but excludes, among other things, "(a) [b]ona fide business transactions which are valid under the law of contracts including without limitation: (1) Contracts for the purchase or sale at a future date of securities or other commodities."

106. Wis. Stat. § 945.02(1) generally prohibits "mak[ing] a bet," and Wis. Stat. § 945.03 generally prohibits "[c]ommercial gambling," which includes, among other things, "[f]or gain, receiv[ing], record[ing] or forward[ing] a bet or offer to bet or, with intent to receive, record or forward a bet or offer to bet, possess[ing] facilities to do so"; "for gain, becom[ing] a custodian of anything of value bet or offered to be bet"; or "for gain, us[ing] a wire communication facility for the transmission or receipt of information assisting in the placing of a bet or offer to bet on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of a bet or offer to bet."

107. CDNA maintains that its Sports Event Contracts are not "bets" under Wisconsin law, and that Wisconsin law does not prohibit its conduct.

108. On Wisconsin's apparent reading of these statutes, however, they are broad enough to encompass and criminalize as "gambling" many agreements, contracts and transactions offered on CFTC-registered DCMs, including Sports Event Contracts and other derivatives, even though these agreements, contracts and transactions are expressly permitted under the CEA.

109. By attempting and threatening to enforce Wisconsin law against CDNA, Defendants are impermissibly intruding on the CFTC's exclusive jurisdiction to regulate derivatives transactions on federally designated contract markets.

110. Defendants' actions against CDNA are distinctively regulatory, making them a particularly egregious overstep of CFTC authority. *See, e.g.*, Wis. Compl. ¶¶ 61–63 (alleging CDNA violates Wisconsin law by "receiv[ing], record[ing] or forward[ing]" an alleged bet, unlawfully acting as "a custodian," and unlawfully "us[ing] a wire communication facility").

111. Without regard to whether Wisconsin has correctly interpreted Wisconsin law, CDNA is authorized to list and offer event contracts to Wisconsin residents (and residents of each of the other states and territories of the United States) pursuant to the CEA. Whether trading in particular event contracts is permitted is a question subject to the "exclusive jurisdiction" of the CFTC. 7 U.S.C. § 2(a)(1)(A).

112. To the extent that the relevant provisions of the CEA and CFTC regulations adopted thereunder overlap with Wisconsin law, Wisconsin law is preempted pursuant to the Supremacy Clause, which provides:

> This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

113. The Supremacy Clause mandates that federal law preempts state law in any field over which Congress has expressly reserved exclusive authority to the federal government.

114. The CEA's express preemption of state laws purporting to regulate trading on federally regulated derivatives markets or otherwise under the oversight of the CFTC could not be more clear. Congress gave the CFTC "exclusive jurisdiction" to regulate derivatives trading on approved exchanges for on-exchange trading. 7 U.S.C. § 2(a)(1)(A). Without a unified approach to derivatives regulation, Congress feared that fragmented and uncoordinated state regulation would lead to "total chaos." Senate Hearings (statement of Sen. Clark). Congress punctuated the importance of preemption of state law by ensuring federal law supersedes and preempts state gambling law as applied to financial instruments the CFTC exempted from the registered exchange requirement. 7 U.S.C. § 16(e)(2). Having analyzed the text, purpose, and history of the CEA, courts nationwide have agreed that Congress intended to preempt state law in derivatives trading on CFTC-regulated exchanges. *See*, *e.g., Flaherty*, 172 F.4th at 228–231; *Orgel*, 2026 WL 474869, at *9–*10; *Am. Agric. Movement*, 977 F.2d at 1155–57; *Thrifty Oil Co.*, 322 F.3d at 1055–57; *Rasmussen*, 608 F.2d at 178; *Paine, Webber, Jackson & Curtis, Inc. v. Conaway*, 515 F. Supp. 202, 205–07 (N.D. Ala. 1981); *Jones v. B. C. Christopher & Co.*, 466 F. Supp. 213, 220 (D. Kan. 1979); *Hofmayer v. Dean Witter & Co.*, 459 F. Supp. 733, 737 (N.D. Cal. 1978).

115. Defendants may not enforce Wisconsin's gambling laws against CDNA because CDNA is a federally regulated derivatives market that makes products available for trading under the exclusive oversight of the CFTC and its enabling statute, the CEA.

COUNT II

(Field Preemption – Against All Defendants)

116. Proposed Intervenor-Plaintiff incorporates all prior paragraphs by reference.

117. Under 28 U.S.C. § 2201, the Court may, "[i]n a case of actual controversy within its jurisdiction . . . declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."

118. An actual controversy exists between CDNA, on the one hand, and the Defendants, on the other, regarding whether any of the Defendants has legal authority to regulate the trading of Sports Event Contracts allegedly forbidden by Wisconsin law.

119. By attempting and threatening to enforce Wisconsin law against CDNA, Defendants are impermissibly intruding on the CFTC's exclusive jurisdiction to regulate derivatives transactions on federally designated contract markets.

120. Defendants' actions against CDNA are distinctively regulatory, making them a particularly egregious overstep of CFTC authority. *See, e.g.*, Wis. Compl. ¶¶ 61–63 (alleging CDNA violates Wisconsin law by "receiv[ing], record[ing] or forward[ing]" an alleged bet, unlawfully acting as "a custodian," and unlawfully "us[ing] a wire communication facility").

121. Without regard to whether Wisconsin has correctly interpreted Wisconsin law, CDNA is authorized to list and offer event contracts to Wisconsin residents (and residents of each of the other states and territories of the United States) pursuant to the CEA. Whether trading in particular event contracts is permitted is a question subject to the "exclusive jurisdiction" of the CFTC. 7 U.S.C. § 2(a)(1)(A).

122. To the extent that the relevant provisions of the CEA and CFTC regulations adopted thereunder overlap with Wisconsin law, Wisconsin law is preempted pursuant to the Supremacy Clause.

123. The Supremacy Clause mandates that federal law preempts state law in any field over which Congress has adopted a comprehensive regulatory scheme, thus occupying the field for regulation.

124. Through the CEA and its amendments, Congress has adopted a comprehensive regulatory scheme regulating derivatives trading on regulated markets, including the trading of event contracts. *See* 7 U.S.C. § 1 *et seq.* That scheme includes creating the CFTC and vesting it with exclusive authority to regulate derivatives trading. Indeed, federal law authorizes the CFTC to "determine" whether event contracts involving "gaming" should be restricted as "contrary to the public interest," 7 U.S.C. § 7a-2(c)(5)(C)(i)—authority that is completely incompatible with parallel state regulation of the same subject matter.

125. Because the CEA's text, purpose, history, and comprehensive regulatory regime evince Congress's intent to occupy the entire field of regulating derivatives trading on regulated markets, Wisconsin's regulatory actions are field-preempted under the Supremacy Clause. *Flaherty*, 172 F.4th at 228–29.

126. Defendants may not enforce Wisconsin's gambling laws against CDNA because CDNA is a federally regulated derivatives market that makes products available for trading under the exclusive oversight of the CFTC and its enabling statute, the CEA.

COUNT III

(Conflict Preemption – Against All Defendants)

127. Proposed Intervenor-Plaintiff incorporates all prior paragraphs by reference.

128. Under 28 U.S.C. § 2201, the Court may, "[i]n a case of actual controversy within its jurisdiction . . . declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."

129. An actual controversy exists between CDNA, on the one hand, and the Defendants, on the other, regarding whether any of the Defendants has legal authority to regulate the trading of Sports Event Contracts allegedly forbidden by Wisconsin law.

130. By attempting and threatening to enforce Wisconsin law against CDNA, Defendants are impermissibly intruding on the CFTC's exclusive jurisdiction to regulate derivatives transactions on federally designated contract markets.

131. Defendants' actions against CDNA are distinctively regulatory, making them a particularly egregious overstep of CFTC authority. *See, e.g.*, Wis. Compl. ¶¶ 61–63 (alleging CDNA violates Wisconsin law by "receiv[ing], record[ing] or forward[ing]" an alleged bet, unlawfully acting as "a custodian," and unlawfully "us[ing] a wire communication facility").

132. Without regard to whether Wisconsin has correctly interpreted Wisconsin law, CDNA is authorized to list and offer event contracts to Wisconsin residents (and residents of each of the other states and territories of the United States) pursuant to the CEA. Whether trading in particular event contracts is permitted is a question subject to the "exclusive jurisdiction" of the CFTC. 7 U.S.C. § 2(a)(1)(A).

133. To the extent that the relevant provisions of the CEA and CFTC regulations adopted thereunder conflict with Wisconsin law, Wisconsin law is preempted pursuant to the Supremacy Clause.

134. The Supremacy Clause mandates that federal law preempts state law where compliance with the state law would conflict with federal law.

135. Wisconsin authorities are deploying and threatening to deploy Wisconsin law against CDNA in a manner that conflicts with federal law and policy. Wisconsin seeks to ban event contracts that federal law and the CFTC have authorized and to subject CDNA to state

regulatory requirements that conflict with federal law—including the CFTC's "impartial access" requirement. Wisconsin's actions also frustrate the purpose and objective of the CEA to create a uniform system of federal regulation over trading on DCMs. For these reasons among others, the threatened actions are conflict-preempted under the Supremacy Clause. *Flaherty*, 172 F.4th at 229-31.

136. Defendants may not enforce Wisconsin's gambling laws against CDNA because CDNA is a federally regulated derivatives market that makes products available for trading under the exclusive oversight of the CFTC and its enabling statute, the CEA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff CDNA requests that judgment be entered in its favor and against Defendants as follows:

1. That this Court enter a judgment declaring that the challenged provisions, or any other state laws pertaining to gambling or wagering, as applied to CDNA, violate the Supremacy Clause and are therefore preempted, unconstitutional and invalid;

2. That this Court issue a permanent injunction that prohibits Defendants as well as their successors, agents, and employees, from enforcing the challenged provisions or any other state laws pertaining to gambling or wagering, as applied to CDNA;

3. Award such other relief within this Court's discretion that it deems just and proper.

Dated: May 12, 2026.

/s/ Harper F. Beck

Eric G. Pearson (Wis. Bar No. 1064367)
Harper F. Beck (Wis. Bar No. 1115774)
FOLEY & LARDNER LLP
777 E. Wisconsin Avenue
Milwaukee, WI 53202-5306
Telephone: 414-319-7360
Facsimile: 414-297-4900
epearson@foley.com
harper.beck@foley.com

Nowell D. Bamberger (*pro hac vice* forthcoming)
Matthew C. Solomon (*pro hac vice* forthcoming)
CLEARY GOTTLIEB STEEN & HAMILTON LLP
2112 Pennsylvania Ave. NW
Washington, DC 20037
Telephone: 202-974-1500
nbamberger@cgsh.com
msolomon@cgsh.com

David Meister (*pro hac vice* forthcoming)
Robert A. Fumerton (*pro hac vice* forthcoming)
Judith A. Flumenbaum (*pro hac vice* forthcoming)
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
One Manhattan West
New York, NY 10001
Telephone: (212) 735-3000
Facsimile: (917) 777-2000
david.meister@skadden.com
robert.fumerton@skadden.com
judy.flumenbaum@skadden.com

Shay Dvoretzky (*pro hac vice* forthcoming)
Parker Rider-Longmaid (*pro hac vice* forthcoming)
Sylvia O. Tsakos (*pro hac vice* forthcoming)
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 New York Avenue NW
Washington, DC 20005
Telephone: (202) 371-7000
shay.dvoretzky@skadden.com
parker.rider-longmaid@skadden.com
sylvia.tsakos@skadden.com

Attorneys for North American Derivatives Exchange, Inc., d/b/a Crypto.com | Derivatives North America