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10

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,

15 Plaintiff,

16 vs.

17 KALSHIEX, LLC,

18 Defendant.

Case No. 26 OC 00050 1B

Dept. No. I

**PLAINTIFF'S APPLICATION FOR**  
**EX PARTE ORDER TO SHOW CAUSE**  
**REGARDING CONTEMPT**

19 Plaintiff, STATE OF NEVADA ex rel. NEVADA GAMING CONTROL BOARD ("BOARD"),  
20 by and through its attorneys, respectfully requests that this Court order KALSHIEX, LLC ("KALSHI")  
21 to appear and show cause why it should not be held in contempt of Court for its failure to comply with  
22 the Court's Amended Order Granting Plaintiff's Motion for Preliminary Injunction issued on May 18,  
23 2026 ("Amended PI Order"). Pursuant to FJDCR 3.7(b), undersigned counsel certifies that counsel for  
24 the BOARD has complied in good faith with the duty to meet and confer with respect to this Application.  
25 Specifically, on May 28, 2026, and June 1, 2026, undersigned counsel emailed counsel for KALSHI, and  
26 on June 2, 2026, undersigned counsel met with counsel for KALSHI by telephone regarding KALSHI's  
27 failure to comply with the Amended PI Order. The parties were not able to agree on a resolution of the  
28 issues presented in this Application.

REC'D & FILED

2026 JUN -4 PM 2:10

WILLIAM SCOTT HOEN  
CLERK

BY \_\_\_\_\_  
COURT CLERK

1 This Application should be heard on an *ex parte* basis because, as this Court has explained, “every  
2 day matters in this case in a literal sense.” Amended PI Order 5. That is especially true because this is a  
3 key time for sports betting, with both the Stanley Cup Finals and NBA Finals occurring simultaneously.  
4 KALSHI’s continued delay and noncompliance is causing very real harm within Nevada.


5 KALSHI has received ample notice of this Court’s oral ruling on April 3, 2026, requiring  
6 geolocation and geofencing, and the Court’s May 18, 2026, Amended PI Order confirming that  
7 geolocation and geofencing are required. Although both the oral and written rulings clearly require  
8 KALSHI to geolocate and geofence customers in Nevada, the BOARD’s investigators have confirmed  
9 that people in Nevada still are able to purchase KALSHI’s sports-, entertainment-, and election-related  
10 event contracts. On May 28, 2026, the BOARD provided notice of this problem to KALSHI and has not  
11 received a satisfactory response.

12 The BOARD therefore asks this Court to issue an order to show cause and issue an appropriate  
13 monetary sanction, and which should include KALSHI paying the BOARD’s attorneys’ fees and costs  
14 incurred in making this Application.

15 This Application is made pursuant to FJDCR 1.12(b) and 3.20 and based upon the following  
16 Memorandum of Points and Authorities, the Declaration of Jessica E. Whelan, all papers on file herein,  
17 and any oral argument this Court permits.

18 DATED: June 4, 2026

19 AARON D. FORD  
20 Attorney General

21 By:  #11543  
22 for: JESSICA E. WHELAN (Bar No. 14781)  
23 Chief Deputy Solicitor General—Litigation  
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 KALSHI offers sports and other event betting in the State of Nevada in violation of Nevada law.  
4 On April 3, 2026, the Court granted the BOARD a preliminary injunction and put KALSHI on notice  
5 that it had 30 days to use geofencing to stop offering or facilitating sports-, election-, and entertainment-  
6 related event contracts on its platform in Nevada. On May 18, 2026, the Court confirmed that KALSHI  
7 must geofence its customers so that those contracts are not available to customers within the geographic  
8 boundaries of Nevada.

9 It is now June 3, 2026, and KALSHI has not implemented geolocation and geofencing technology  
10 that prevents all people in Nevada from buying the covered contracts. KALSHI has represented to the  
11 BOARD that it has made efforts at geolocation and geofencing, but those efforts plainly are inadequate  
12 to comply with the Court's order. Over a period of several days after receiving KALSHI's representation,  
13 the BOARD's investigators were able to purchase covered event contracts in Nevada. All the while,  
14 KALSHI has continued to profit from its unlawful event contracts. Every day that KALSHI continues to  
15 operate hurts the State, its gaming industry, and the public. Those effects are especially acute now, with  
16 both the Stanley Cup Finals (with the Golden Knights competing) and the NBA Finals in progress.

17 The Court's order is clear on its face, and KALSHI is violating that order. The Court gave  
18 KALSHI 30 days to comply with Nevada law and specifically advised KALSHI that if it needed more  
19 time, it should come to the Court with an explanation. KALSHI did not do that. Instead, it implemented  
20 plainly inadequate geofencing and put the burden on the BOARD to investigate and demonstrate  
21 KALSHI's noncompliance. The BOARD advised KALSHI of that noncompliance and did not receive a  
22 satisfactory assurance that KALSHI would immediately comply, or any justification for KALSHI's  
23 failure to comply. Because the BOARD has been unable to resolve the issue with KALSHI, the BOARD  
24 seeks this Court's assistance in ensuring that KALSHI complies with the Court's order. Without the  
25 Court's assistance, the BOARD fears that KALSHI will continue to drag its feet and delay compliance.

26 The Court therefore should issue an order to show cause and should hold KALSHI in contempt  
27 because it has not complied with the Court's order. The Court also should impose sanctions for every day  
28 that KALSHI is not in compliance with the Court's order, in the form of disgorgement of ill-gotten gains

1 or a fixed per-day monetary penalty as a sanction. The Court also should award the BOARD its attorneys’  
2 fees and costs incurred in bringing this Application.

## 3 **II. BACKGROUND**

4 KALSHI operates a market that offers event-based contracts relating to sporting and other events.  
5 Compl. ¶ 20. These events include, but are not limited to, college basketball games, college and  
6 professional football games, and elections. *Id.* The vast majority of KALSHI’s business involves  
7 sports-related contracts, *id.*; as the federal court explained, “[t]hese are sports wagers and everyone who  
8 sees them knows it,” “includ[ing] Kalshi.” *KalshiEX, LLC v. Hendrick*, 817 F. Supp. 3d 1014, 1029  
9 (D. Nev. 2025).

10 KALSHI is offering these contracts in violation of Nevada law. As this Court has found,  
11 KALSHI’s offering of sports-, entertainment-, and election-related event contracts “constitutes the  
12 operation of a ‘sports pool’” and a “‘percentage game’ as defined by Nevada law,” both of which require  
13 a gaming license. Amended Order Granting Pl.’s Mot. for Prelim. Inj. (Amended PI Order) 3. It is  
14 undisputed that KALSHI “is not licensed under the Nevada Gaming Control Act.” *Id.*

15 The BOARD filed this action to halt KALSHI’s unlicensed gaming operations. *See* Compl. On  
16 March 20, 2026, the Court issued a temporary restraining order immediately prohibiting KALSHI from  
17 “offering or facilitating the offering of sports-, election-, and entertainment-related event contracts in  
18 Nevada and from allowing its market to accept wagers on those events from persons under the age of 21  
19 in Nevada.” Order Granting Plaintiff’s Application for *Ex Parte* Temporary Restraining Order 6. In  
20 response, KALSHI put in place a residency-based restriction, which prohibited users who had listed  
21 Nevada as their state of residence from purchasing the covered contracts. *See* Pl.’s Suppl. Br. in Supp. of  
22 Mot. for Prelim. Inj. 2 (Mar. 27, 2026) (Suppl. PI Br.).

23 As the BOARD explained to the Court and to KALSHI, KALSHI’s residency-based restriction is  
24 inadequate for two reasons. First, Nevada gaming law applies within the geographic territory of the State.  
25 Yet under KALSHI’s residency-based restriction, people physically located in Nevada who were not  
26 Nevada residents still could purchase the covered contracts. *See* Suppl. PI Br. 3–4. Second, KALSHI’s  
27 residency-based restriction had a workaround: a Nevada resident could simply report a different State of  
28 residence to bypass the restriction. *See* Whelan Decl. in Supp. of Suppl. PI Br. ¶ 8 (Mar. 27, 2026). As

1 the BOARD explained, these shortcomings made it particularly important for the Court to require  
2 KALSHI to implement geolocation and geofencing technology to identify users physically located in  
3 Nevada and restrict those users from accessing the covered contracts.

4 On April 3, 2026, the Court held a hearing on the BOARD's motion for a preliminary injunction.  
5 At the hearing, the Court stated that it would grant the BOARD's motion and ordered KALSHI to  
6 "geofence" its platform to prevent people within the geographic boundaries of the State of Nevada from  
7 purchasing the covered event contracts. Prelim. Inj. Hr'g (PI Hr'g) 1:58-2:01 (Apr. 3, 2026). The Court  
8 gave KALSHI thirty days to comply. *Id.*

9 On April 29, 2026, the Court issued its written order granting the BOARD's motion for a  
10 preliminary injunction. Order Granting Pl.'s Mot. for Prelim. Inj. 6 (Apr. 29, 2026). Consistent with its  
11 oral ruling, the Court gave KALSHI "until May 4, 2026, to make technological enhancements necessary  
12 to comply." *Id.* at 6. If compliance by that date proved "not possible," KALSHI could request an  
13 extension, but it had to provide "an explanation, supported by sworn declaration" detailing its  
14 implementation progress. *Id.*

15 On May 18, 2026, the Court confirmed that the preliminary injunction "was intended to address  
16 KALSHI's transactions with individuals within the State of Nevada and not just Nevada residents." Order  
17 Granting Pl.'s Mot. for Clarification 1 (May 18, 2026). The Court issued an amended preliminary  
18 injunction order that "prohibited" KALSHI from "offering or facilitating within the State of Nevada"  
19 "[s]ports-related event contracts," "[e]lection-related event contracts," and "[e]ntertainment-related event  
20 contracts." Amended PI Order 6. The amended order did not extend the date for compliance. *See id.*  
21 Accordingly, KALSHI has been required since May 18, 2026, at the very latest, to prohibit users located  
22 in Nevada from trading in the covered contracts. And it has been on notice since April 3, 2026, that it  
23 would need to geolocate and geofence customers in order to make that happen.

24 Despite this, people located within the geographic bounds of Nevada still are able to purchase  
25 sports-, election-, and entertainment-related event contracts on KALSHI's platform. *See Whelan Decl.*  
26 ¶¶ 7–13. Specifically, on eight separate occasions on May 28, 30, 31, and June 1, 2026, a BOARD  
27 investigator was able to purchase sports- or election-related contracts on KALSHI's platform while  
28 located in Nevada. *Id.* ¶ 8. The BOARD's investigators used cellular devices running on the iOS platform

1 that were connected directly to Nevada-based cellular networks, without using virtual private networks.  
2 *Id.* On May 28, 2026, an investigator entered event contracts on a tennis match between Frances Tiafoe  
3 and Hubert Hurkacz at the French Open, an NBA playoff basketball game between the San Antonio Spurs  
4 and the Oklahoma City Thunder, and an MLB baseball game between the Chicago White Sox and the  
5 Minnesota Twins. *Id.* ¶ 9. On May 30, an investigator entered an event contract on a soccer game between  
6 Australia and Mexico. *Id.* ¶ 10. On May 31, 2026, an investigator entered an event contract on an MLB  
7 baseball game between the Minnesota Twins and the Pittsburgh Pirates. *Id.* ¶ 11. And on June 1, 2026,  
8 an investigator entered event contracts on an NBA playoff basketball game between the New York  
9 Knicks and the San Antonio Spurs, an MLB baseball game between the Detroit Tigers and the Tampa  
10 Bay Rays, and the Los Angeles mayoral election. *Id.* ¶ 12. All eight transactions were successful, even  
11 though the investigators and the cellular devices were physically located in Nevada.

12 On May 28, 2026, counsel for the BOARD contacted counsel for KALSHI regarding KALSHI's  
13 failure to comply with the Court's Amended PI Order. Whelan Decl. ¶ 6. In response, counsel for  
14 KALSHI acknowledged that KALSHI had received the Court's Amended PI Order on May 21, 2026,  
15 and that KALSHI understood the order to require KALSHI to implement geolocation and geofencing  
16 technology to prevent all persons physically located in Nevada from accessing the covered contracts. *Id.*  
17 Counsel for KALSHI further stated that KALSHI had implemented geolocation and geofencing  
18 technology as of May 27, 2026. *Id.* On June 1, 2026, counsel for the BOARD explained to counsel for  
19 KALSHI that despite counsel's representations, the BOARD's investigators still were able to purchase  
20 covered contracts and provided details about the purchases. *Id.* ¶ 14.

21 On June 2, 2026, counsel for the BOARD met and conferred with counsel for KALSHI regarding  
22 KALSHI's failure to comply with the Court's Amended PI Order. Whelan Decl. ¶ 14. Counsel for  
23 KALSHI explained that KALSHI had decided to develop its own geolocation and geofencing system,  
24 rather than implementing a tried and tested solution from a third-party vendor. *Id.* Counsel for KALSHI  
25 further explained that KALSHI had tested its system by asking family and friends in Nevada to try to  
26 place wagers on KALSHI's platform. *Id.*

27 Those representations did not give the BOARD any confidence that KALSHI had developed and  
28 tested a technological solution that would prevent all people physically located in Nevada from

1 purchasing the covered contracts. Counsel for KALSHI did not explain why its system was still allowing  
2 these purchases in Nevada or what steps KALSHI would take to immediately comply with the Court's  
3 Amended PI Order. Whelan Decl. ¶ 14. Counsel for KALSHI likewise did not provide any assurances as  
4 to when (if ever) KALSHI would be in full compliance with the Court's Amended PI Order. *Id.* KALSHI  
5 also has not requested any extension of the compliance deadline or provided the sworn declaration that  
6 the Court indicated would be necessary to justify such an extension.<sup>1</sup>

7 Having been unable to ensure compliance on its own, the BOARD now turns to this Court and  
8 respectfully requests that the Court intervene to obtain KALSHI's compliance with the Court's Amended  
9 PI Order.

### 10 III. LEGAL STANDARD

11 "Disobedience or resistance to any lawful writ, order, rule or process issued by the court" is  
12 "deemed contempt." NRS 22.010(3); *see* FJDCR 1.12(b). As the Nevada Supreme Court has explained,  
13 "the orderly and expeditious administration of justice by the courts requires [a party] to comply with all  
14 court orders," even when the party disagrees with the order. *Whitehead v. Nev. Comm'n on Jud.*  
15 *Discipline*, 110 Nev. 128, 139 n.9, 906 P.2d 230, 237 (1994) (internal quotation marks omitted).  
16 Accordingly, "an injunction issued by a court . . . *must* be obeyed," and "disobedience" is "contempt . . .  
17 to be punished." *Id.* at 135, 906 P.2d at 235 (internal quotation marks omitted).

18 Courts have the inherent authority to enforce their orders, and they have broad "leeway" and  
19 "discretion" to determine what sanctions are appropriate to ensure compliance. *In re Determination of*  
20 *Relative Rts. of Claimants*, 118 Nev. 901, 907, 59 P.3d 1226, 1230 (2002). For civil contempt, NRS  
21 22.100 and FJDCR 1.12(b) authorize a court to (among other things) "[i]mpose a financial sanction,"  
22 "[a]ward attorney fees, costs, or both," or "[e]nter the default of the disobedient party." FJDCR 1.12(b);  
23 *see* NRS 22.100(3). The court is not limited to these sanctions; the court also "may take other  
24 measures to insure that the parties obey the court's order," *All Mins. Corp. v. Kunkle*, 105 Nev. 835, 837,  
25 784 P.2d 2, 4 (1989), including in particular ordering disgorgement of any gains from violating the  
26 order, *see, e.g., MEI-GSR Holdings, LLC v. Second Jud. Dist. Ct.*, 576 P.3d 359, 2025 WL 2682084,

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27 <sup>1</sup> KALSHI recently has filed a motion to stay the Court's Amended PI Order pending appeal, but it  
28 is black letter law that the mere filing of such a motion does not stay the order. *See PlayUp, Inc. v. Mintas*,  
635 F. Supp. 3d 1087, 1094 (D. Nev. 2022).

1 at \*3 (Nev. Sept. 18, 2025) (unpublished disposition), *cert. denied sub nom. MEI-GSR Holdings, LLC v.*  
2 *Dist. Ct. of NV*, 2026 WL 922528 (U.S. Apr. 6, 2026).

#### 3 **IV. ARGUMENT**

4 The Court’s preliminary injunction order “prohibit[s]” KALSHI “from offering or facilitating  
5 within the State of Nevada” “[s]ports-related event contracts,” “[e]lection-related event contracts,” and  
6 “[e]ntertainment-related event contracts.” Amended PI Order 6. Yet KALSHI has failed to implement  
7 the geolocation and geofencing technology necessary to bar all people located within Nevada from  
8 transacting in those contracts. In the meantime, KALSHI has continued to profit from its unlawful  
9 conduct, to the severe detriment of the State, its gaming industry, and the public. The BOARD has  
10 conferred with KALSHI to determine if it can obtain compliance without the Court’s intervention and  
11 has determined that it cannot. Unless this Court intervenes, the BOARD expects that KALSHI will  
12 continue to delay compliance with the Court’s Amended PI Order. The Court therefore should order  
13 KALSHI to show cause why it should not be held in contempt, sanctioned, and ordered to disgorge all  
14 profits earned in Nevada from May 18, 2026, to the present day. The Court also should require KALSHI  
15 to pay the BOARD’s attorneys’ fees and costs incurred in bringing this Application.

##### 16 **1. KALSHI Is Violating This Court’s Amended Preliminary Injunction Order**

17 KALSHI should be held in contempt because it is violating the Court’s amended preliminary  
18 injunction order. “[A]ll orders and judgments of courts must be complied with promptly.” *Maness v.*  
19 *Meyers*, 419 U.S. 449, 458 (1975). If KALSHI “believes that order is incorrect[,] the remedy is to appeal,  
20 but, absent a stay, [KALSHI] must comply promptly with the order.” *Id.* That is, KALSHI is “not at  
21 liberty to disobey notices, orders, or any other directives issued by this court.” *Weddell v. Stewart*, 127  
22 Nev. 645, 652, 261 P.3d 1080, 1085 (2011). Because the justice system requires parties to obey court  
23 orders to function effectively, “disobedience” of a court order is an exceptionally serious matter—it is  
24 deemed “contempt” that should “be punished.” *Whitehead*, 110 Nev. at 135, 906 P.2d at 235 (internal  
25 quotation marks omitted); *see* NRS 22.010(3).

26 This Court’s Amended PI Order unambiguously states that “KALSHI is prohibited from offering  
27 or facilitating within the State of Nevada” “[s]ports-related event contracts,” “[e]lection-related event  
28 contracts,” and “[e]ntertainment-related event contracts.” Amended PI Order 6. As the Court explained,

1 the “scope” of the injunction is “intended to address KALSHI’s transactions with individuals within the  
2 State of Nevada and not just with Nevada residents.” Order Granting Pl.’s Mot. for Clarification 1.  
3 Notably, the amended order does not extend the date for compliance; it simply says that KALSHI is  
4 “prohibited” from offering the covered contracts in Nevada. Amended PI Order 6. Thus, KALSHI was  
5 required to cease offering the covered contracts as of May 18, 2026, the date of the order.

6 KALSHI has full knowledge of the requirements of the order. Even before the Court issued the  
7 preliminary injunction order, the BOARD had put KALSHI on notice that compliance with Nevada law  
8 requires KALSHI to implement geolocation and geofencing technology in order to restrict its operations  
9 within the geographic boundaries of Nevada. *See* Suppl. PI Br. 3–4. At the April 3 hearing, the Court  
10 stated that it would require KALSHI to implement geofencing technology. PI Hr’g 1:58-2:01. Further,  
11 on May 18, the Court served the Amended PI Order to KALSHI’s counsel, which provided notice of that  
12 fact as a matter of law. *See Durango Fire Prot., Inc. v. Troncoso*, 120 Nev. 658, 663, 98 P.3d 691, 693  
13 (2004) (a party receives notice through service by mail). And when the BOARD’s counsel contacted  
14 KALSHI’s counsel regarding KALSHI’s failure to comply with the amended order, KALSHI’s counsel  
15 confirmed that KALSHI received the amended order on May 21, 2026, and that KALSHI understands  
16 that the order requires KALSHI to implement geofencing technology. Whelan Decl. ¶ 6.

17 KALSHI’s counsel has asserted that KALSHI had implemented that technology as of May 27,  
18 2026. Whelan Decl. ¶ 6. But as the BOARD’s investigators found, KALSHI continues to allow people  
19 located in the State of Nevada to purchase event contracts covered by this Court’s Amended PI Order.  
20 Specifically, on eight occasions between May 28 and June 1, BOARD investigators were able to purchase  
21 sports- and election-related event contracts on KALSHI’s platform while located in Nevada. *See id.* ¶¶ 7–  
22 13. Investigators were able to enter event contracts on a tennis match, a soccer game, two NBA games,  
23 three MLB games, and the Los Angeles mayoral election. *Id.* The investigators were able to enter those  
24 transactions even though they were physically located in Nevada, using cellular devices that were  
25 connected directly to Nevada cellular networks and without using a virtual private network to obscure  
26 the investigators’ location. *Id.* These repeated transactions, over multiple days, demonstrate that  
27 KALSHI’s technology has systematic problems and does not effectively prevent people located in  
28 Nevada from accessing the contracts set out in the Court’s Amended PI Order.

1       Notably, geolocation and geofencing technology is commonplace in the gaming industry. *See*  
2 *Hendrick*, 817 F. Supp. 3d at 1035 (explaining that “regulated entities in this jurisdiction employ”  
3 “geofencing” regularly to restrict access to their gaming operations). Many gaming operators “offer  
4 online or mobile gaming in Nevada,” and to do so legally, they “must use geolocation and geofencing  
5 technology.” Reaser Decl. ¶ 19, *KalshiEX LLC v. Hendrick*, No. 25-cv-575 (D. Nev. Oct. 29, 2025), ECF  
6 No. 178-1. Accordingly, many third-party vendors offer cost-effective, proven geofencing and  
7 geolocation technological solutions that gaming operators can integrate into their platforms. *See id.* ¶ 20  
8 (citing Dan Bernstein, Eben Novy-Williams, Michael McCann, *Kalshi Puts Geolocation Tech Providers*  
9 *on Edge Amid Rapid Rise*, Sportico (Oct. 16, 2025), [perma.cc/5QPY-YZHW](https://perma.cc/5QPY-YZHW)). Yet counsel for KALSHI  
10 has stated that KALSHI instead has decided to rely on its own homegrown geolocation and geofencing  
11 technology, with ad-hoc testing through family and friends, rather than implementing a proven solution  
12 from a third-party vendor that has been rigorously tested. Whelan Decl. ¶ 14. That is KALSHI’s business  
13 decision—but the fact that KALSHI decided to reinvent the wheel with geolocation technology makes it  
14 all the more important that KALSHI’s technological solution be thoroughly tested to ensure that it  
15 actually works. As the BOARD’s investigators have demonstrated, KALSHI’s homegrown solution is  
16 woefully inadequate. It is KALSHI’s obligation to ensure that it is fully complying with the Court’s  
17 Amended PI Order, and it is not meeting that obligation. The Court accordingly should order KALSHI  
18 to show cause as to why it should not be sanctioned for failing to comply with the Amended PI Order.

19           **2. The Court Should Sanction KALSHI and Order It to Disgorge Its Ill-Gotten Gains**

20       KALSHI’s failure to comply with the Court’s Amended PI Order warrants meaningful penalties.  
21 The Court has the authority to “find contempt and impose sanctions” for violations of the Court’s orders.  
22 *In re Claimants*, 118 Nev. at 911, 59 P.3d at 1232; *see Young v. Johnny Ribeiro Bldg., Inc.*, 106 Nev. 88,  
23 92, 787 P.2d 777, 779 (1990). Here, without a meaningful sanction, KALSHI would have an incentive to  
24 continue its unlawful conduct—KALSHI sees \$4.2 billion in trading volumes *each week*, and so a  
25 monetary sanction must be significant to actually change KALSHI’s behavior and ensure compliance.  
26 *See Prediction Market Volume*, DeFi Rate (June 3, 2026), [perma.cc/5H23-CH5X](https://perma.cc/5H23-CH5X). Thus, in order to force  
27 compliance, the Court should hold KALSHI in contempt and order disgorgement of every dollar  
28 KALSHI has earned from Nevada operations since May 18, 2026, when the Court made indisputably

1 clear that KALSHI was required to implement geofencing—and continue to order disgorgement for as  
2 long as KALSHI refuses to comply. Alternatively, the Court could hold KALSHI in contempt and impose  
3 a significant per-day monetary penalty for every day that KALSHI is not in full compliance with the  
4 Court’s Amended PI Order.

5 There is ample authority for a disgorgement sanction to force compliance with the Court’s  
6 Amended PI Order. As the U.S. Supreme Court and Nevada Supreme Court have explained,  
7 disgorgement is a well-established sanction for violating court orders, because it ensures that violators  
8 are “depriv[ed] . . . of their ill-gotten gains” and thus removes any incentive to continue violating the  
9 orders. *Kokesh v. SEC*, 581 U.S. 455, 464 (2017); see *Lathigee v. Brit. Columbia Sec. Comm’n*, 136 Nev.  
10 670, 674, 477 P.3d 352, 356 (2020) (“[D]isgorgement serves to eliminate profit from wrongdoing.”  
11 (internal quotation marks omitted)). Courts across the nation accordingly routinely order disgorgement  
12 as a sanction for violating court orders. See, e.g., *In re Sherman*, 491 F.3d 948, 954 (9th Cir. 2007);  
13 *Cernelle v. Graminex, L.L.C.*, 2022 WL 2759867, at \*11 (6th Cir. July 14, 2022); *Tom James Co. v.*  
14 *Morgan*, 141 F. App’x 894, 899 (11th Cir. 2005); *United States v. Lyman-Petty*, 2025 WL 3006211, at  
15 \*1 (D. Nev. Sep. 29, 2025); *Zest Anchors, LLC v. Geryon Ventures, LLC*, 2022 WL 16838806, at \*4  
16 (S.D. Cal. Nov. 9, 2022); *BlackBerry Ltd. v. Typo Prods. LLC*, 2015 WL 474553, at \*3 (N.D. Cal. Feb.  
17 4, 2015). Ordering disgorgement is especially appropriate here in light of KALSHI’s immense trading  
18 volumes—if KALSHI were allowed to keep its profits earned in direct violation of this Court’s Amended  
19 PI Order, it would have every incentive to continue flouting the Court’s authority.

20 In the alternative, to the extent that it is not practicable to determine the amount of KALSHI’s ill-  
21 gotten gains due to the limitations of its technological systems, the Court could impose a monetary  
22 sanction on KALSHI for every day that KALSHI is not in compliance with the Court’s Amended PI  
23 Order. See *Dep’t of Health & Hum. Servs. v. Eighth Judicial Dist. Court*, 139 Nev. 254, 257–59, 534  
24 P.3d 706, 711 (2023) (affirming daily contempt sanction). Given KALSHI’s trading volumes, the  
25 sanction should be of a sufficient magnitude to compel KALSHI into compliance. Here, the BOARD  
26 estimates that this means a sanction of at least \$120,000 each day.<sup>2</sup> If the sanction were any lesser, the

27  
28 <sup>2</sup> This is estimated by taking KALSHI’s \$600 million/day trading volume, dividing by 50 to  
approximate Nevada’s share of the transactions, and taking 1% to estimate KALSHI’s fees on those  
transactions.

1 message would be clear: court orders are merely a cost of doing business, and the calculus is simply  
2 whether profits from violation outweigh risks of sanction. That cannot be the law. Accordingly, if the  
3 Court does not order disgorgement, it should impose a sanction on KALSHI of at least \$120,000 each  
4 day that KALSHI is not in full compliance with the Court's Amended PI Order.

5 **3. The Court Should Award Attorneys' Fees and Costs**

6 Finally, the Court should order KALSHI to pay the BOARD's reasonable attorneys' fees and  
7 costs incurred in bringing this Application and in prosecuting this contempt proceeding. NRS 22.100  
8 expressly authorizes a court to require a contemnor to pay "the reasonable expenses, including, without  
9 limitation, attorney's fees, incurred by the party as a result of the contempt." NRS 22.100(3); *see* FJDCR  
10 1.12(b)(10) (same).

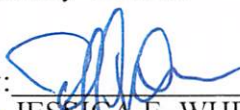
11 KALSHI's contempt has required the BOARD to expend significant resources preparing this  
12 Application and supporting declarations on an emergency basis—resources the State would not have  
13 expended but for KALSHI's violation of the preliminary injunction. The BOARD will submit its  
14 reasonable fees and costs by separate motion should the Court issue a finding of contempt.

15 **V. CONCLUSION**

16 For the foregoing reasons, the Court should grant this Application and order KALSHI to appear  
17 and show cause why it should not be held in contempt for failing to comply with this Court's Amended  
18 Order Granting Plaintiff's Motion for Preliminary Injunction.

19 DATED: June 4, 2026

20 AARON D. FORD  
Attorney General

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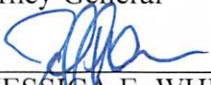
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**AFFIRMATION**  
**(Pursuant to NRS 239B.030)**

The undersigned does hereby affirm that the foregoing document does not contain the social security number of any person.

DATED: June 4, 2026

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**CERTIFICATE OF SERVICE**

I certify that I am an employee of the Office of the Attorney General, State of Nevada, and that on June 4, 2026, I deposited for mailing in the United States Mail, first-class postage prepaid, at Carson City, Nevada, a true and correct copy of the foregoing to the following:


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\_\_\_\_\_  
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