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DEPUTY

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

STATE OF NEVADA ex rel. NEVADA
GAMING CONTROL BOARD,

Plaintiff,

vs.

BLOCKRATIZE, INC. d/b/a
POLYMARKET; QCX LLC d/b/a
POLYMARKET US; ADVENTURE ONE
QSS, INC. d/b/a POLYMARKET,

Defendants.

Case No.: 26 OC 00012 1B

Dept. No.: 1

**ORDER GRANTING PLAINTIFF'S RENEWED EX PARTE APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

THIS MATTER is before the Court on a *Complaint for Permanent Injunction and Declaratory Relief* ("Complaint") filed January 16, 2026 by the NEVADA GAMING CONTROL BOARD ("BOARD") and *Plaintiff's Renewed Ex Parte Application for Temporary Restraining Order and Motion for Preliminary Injunction* ("Renewed Application") filed by the BOARD on January 26, 2026. With the *Renewed Application*, the BOARD included the *Declaration of Jessica E. Whelan in Support of Plaintiff's Renewed Application for Ex Parte Temporary Restraining Order* ("Declaration"). Previously, in response to *Plaintiff's Application for Temporary Restraining Order and Motion for Preliminary Injunction* ("Original Application") filed January 16, 2026 and *Errata to Plaintiff's Application for Temporary Restraining Order and Motion for Preliminary Injunction* ("Errata") filed January 21, 2026, the

1 *Defendants' Preliminary Response and Request for Opportunity to File Full Opposition to*
2 *Plaintiff's Application for Temporary Restraining Order and Motion for Preliminary Injunction*
3 *and to Attend Hearing and Be Heard Thereon* was filed January 22, 2026 ("*Original*
4 *Opposition*"). And in response to the *Renewed Application*, *Defendants' Preliminary Response*
5 *and Renewed Request for Opportunity to File Full Opposition to Plaintiff's Renewed*
6 *Application for Ex Parte Temporary Restraining Order* was filed January 27, 2026 ("*Renewed*
7 *Opposition*"). The *Original Opposition* and *Renewed Opposition* are collectively referred to as
8 the "*Opposition*" hereinafter. The *Original Application* and *Errata* were previously denied on
9 procedural grounds without prejudice to the BOARD to resubmit the *Application*, and the
10 BOARD's request for a preliminary injunction was scheduled for a hearing on February 19,
11 2026. The Court has reviewed the *Complaint*, *Renewed Application*, and *Opposition* and
12 familiarized itself with the legal authorities cited therein.

13 **A. LEGAL STANDARD**

14 As pertinent to the *Renewed Application*, NRC 65 provides:

15 **(b) Temporary Restraining Order.**

16 (1) **Issuing Without Notice.** The court may issue a temporary
17 restraining order without written or oral notice to the adverse party
18 or its attorney only if:

19 (A) specific facts in an affidavit or a verified complaint
20 clearly show that immediate and irreparable injury, loss, or
21 damage will result to the movant before the adverse party can
22 be heard in opposition; and

23 (B) the movant's attorney certifies in writing any efforts
24 made to give notice and the reasons why it should not be
25 required.

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1 **(d) Contents and Scope of Every Injunction and Restraining Order.**

2 **(1) Contents.** Every order granting an injunction and every
3 restraining order must:

- 4 (A) state the reasons why it issued;
5 (B) state its terms specifically; and
6 (C) describe in reasonable detail—and not by referring to
7 the complaint or other document—the act or acts restrained
8 or required.

9 **(2) Persons Bound.** The order binds only the following who
10 receive actual notice of it by personal service or otherwise:

- 11 (A) the parties;
12 (B) the parties' officers, agents, servants, employees, and
13 attorneys; and
14 (C) other persons who are in active concert or participation
15 with anyone described in Rule 65(d)(2)(A) or (B).

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

25 In addition, the balance of hardships and public interest may be considered in
26 determining whether injunctive relief is warranted and, if so, the scope and nature of that relief.
27 *University & Cmty. College Sys. of Nev. v. Nevadans for Sound Gov't*, 120 Nev. 712, 721, 100
28 P.3d 179, 187 (2004).

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1 **B. ANALYSIS**

2 **1. Based on the information that has been presented at this early stage in the**
3 **proceedings, the BOARD appears to be reasonably likely to prevail on the**
4 **merits of the underlying case.**

5 Here, the *Complaint*, *Application*, and *Declaration* satisfy the requirements of NRC
6 65(b)(1) for issuance of the requested temporary restraining order without notice. As a
7 threshold matter, the BOARD has a “reasonable likelihood of success on the merits.” First, the
8 *Complaint* establishes that gaming in Nevada is expansively and strictly regulated. The
9 BOARD, in conjunction with the Nevada Gaming Commission, has virtually comprehensive
10 statutory authority over gaming in Nevada. *See generally* Nev. Rev. Stat. ch. 463. The strict
11 regulation of gaming promotes the public interest in several respects, including the prevention
12 of underage gambling, preservation of the integrity of the events which are the subject of
13 gaming wagers, and exclusion of unsuitable individuals from gaming activities. NRS 463.166,
14 .350, *Nev. Gam’g Comm. Reg.* 22.1205(2). Gaming in Nevada may only be conducted by an
15 entity licensed under the authority of the Nevada Gaming Control Act. NRS 463.160

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

24 Third, the record at this early stage in the proceedings indicates BLOCKRATIZE, INC.
25 d/b/a POLYMARKET, QCX LLC d/b/a POLYMARKET US, and ADVENTURE ONE QSS,
26 INC. d/b/a POLYMARKET (collectively, “POLYMARKET”) are not licensed under the
27 Nevada Gaming Control Act.

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1 Fourth, the record at this early stage in the proceedings indicates POLYMARKET offers
2 “event-based contracts” that relate to sporting and other events, including college basketball
3 games, college and professional football games and elections. Under Nevada law, this conduct
4 constitutes the operation of a “sports pool” as it involves the acceptance of “wagers” concerning
5 “sporting events or other events” “for which the outcome is uncertain.” Further, the record
6 indicates POLYMARKET takes a commission on contracts purchased through its system,
7 meaning it is operating a “percentage game” as defined in Nevada law.

8 And, finally, the Court has considered POLYMARKET’s contention that it “operates a
9 federally designated contract market subject to the ‘exclusive jurisdiction’ of the Commodity
10 Futures Trading Commission.” As such, POLYMARKET asserts federal law, specifically 7
11 U.S.C. §2(a)(1)(A), preempts the BOARD’s effort to subject its “event-based contracts” to
12 Nevada law. The question of federal preemption in this regard is nuanced and rapidly evolving.
13 At the moment, the balance of convincing legal authority weighs against federal preemption in
14 this context. *See KalshiEx, LLC v. Hendrick*, No. 2:25-cv-00575-APG-BNW, 2025 U.S. Dist.
15 LEXIS 234246 at *11-38 (D. Nev. Nov. 24, 2025) [hereinafter referred to as “*KalshiEx*”]; *see*
16 *also North American Derivatives Ex., Inc. v. Nev. Gaming Control Bd.*, No. 2:25-cv-00978-
17 APG-BNW, 2025 U.S. Dist. LEXIS 466366 (D. Nev. Oct. 14, 2025) (holding contracts based
18 on outcome of sporting events are not “swaps” under the Commodity Exchange Act and are not
19 subject to exclusive jurisdiction of CFTC), *KalshiEx, LLC v. Martin*, No. 25-cv-1283-ABA, 793
20 F. Supp. 3d 667, 2025 U.S. Dist. LEXIS 147815 (D. Maryland Aug. 1, 2025) (holding state law
21 not preempted by Commodity Exchange Act as applied to sports-related event contracts). *But*
22 *see KalshiEx, LLC v. Flaherty*, No. 25-cv-02152-ESK-MJS, 2025 U.S. Dist. LEXIS 79893
23 (D.N.J. April 28, 2025) (holding state law preempted by Commodity Exchange Act as applied
24 to sports-related event contracts). The reasoning in *KalshiEx* is persuasive. Therefore, this
25 Court concludes that based on the current state of the law, the Commodities Exchange Act,
26 more specifically 7 U.S.C. §2(a)(1)(A), fairly interpreted, does not vest exclusive jurisdiction
27 over POLYMARKET’s contracts with the Commodity Futures Trading Commission. As such,

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1 Nevada law is not preempted and the BOARD has authority to prosecute the enforcement action
2 presented by the *Complaint* and *Renewed Application*.

3 **2. The BOARD's injuries are irreparable and non-compensable.**

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

21 These potential consequences must be characterized as irreparable under Nevada law.
22 As such, they support issuance of a temporary restraining order.

23 **3. The *Declaration* establishes immediate and irreparable injury will result if**
24 **POLYMARKET is allowed a full opportunity to respond before the**
25 **temporary restraining order is issued.**

26 As the *Declaration* and the record establish, POLYMARKET has been provided notice
27 of the BOARD's filings as well as the actual filings themselves. Further, POLYMARKET has
28 been given some opportunity to respond and, in fact, responded, albeit to a limited extent.
POLYMARKET requests that this Court defer issuance of any injunctive relief until it is able to

1 “file a comprehensive opposition” which it anticipates filing “February 2, 2026 or by any
2 shortened deadline the Court deems appropriate.” POLYMARKET’s request is clearly in good
3 faith and not for the purposes of delay, as it unilaterally proposes a significantly expedited
4 schedule. Issuance of the temporary restraining order in advance of POLYMARKET’s
5 comprehensive response may necessitate conversion of the response to a motion to dissolve
6 under NRCP 65(b)(4), but there is nothing to otherwise prevent POLYMARKET from being
7 fully and fairly heard on the issues in dispute and on an expedited basis. However, the nature of
8 the BOARD’s injuries which are alleged and, at least preliminarily, substantiated are imminent.
9 They are also the types of injuries that exacerbate with each day that POLYMARKET operates
10 in Nevada outside the authority of the BOARD. A day means more consumers. More
11 consumers mean more transactions. More transactions means more potential harm to the
12 BOARD. As such, every day matters in this case in a literal sense. For these reasons, this
13 Court deems immediate action to be necessary and issues the temporary restraining order in
14 advance of POLYMARKET providing the comprehensive response it contemplates.

15 **4. The balance of hardships and public interest weigh in favor of issuing the**
16 **temporary restraining order.**

17 Largely for the reasons that have already been explained above, the balance of hardships
18 and public interest in maintaining meaningful control over Nevada’s gaming industry for the
19 purpose of ensuring its integrity strongly supports issuance of the temporary restraining order.
20 Beyond the factors previously addressed, if it is later determined that the temporary restraining
21 order was issued wrongfully, POLYMARKET would have been denied a brief period in the
22 market which damaged them in an amount that should be relatively straightforward to quantify
23 and, if legally redressable, compensate. There is no reciprocal remedy for the BOARD if the
24 temporary restraining order is wrongfully denied.

25 **5. No security is required.**

26 A party who is the beneficiary of a temporary restraining order is typically required to
27 post security for damages resulting from wrongful issuance of the temporary restraining order.

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1 NRCP 65(c). However, the BOARD, as an agency of the State of Nevada, is exempted from
2 that typical requirement. *Id.* Therefore, no security will be required.

3 **6. The duration of the temporary restraining order is limited to 14 days.**

4 NRCP 65(b)(2) limits the duration of a temporary restraining order without notice to a
5 maximum of 14 days unless it is extended for good cause or the adverse party consents to a
6 longer period. The *Renewed Application* urges this Court to extend the temporary restraining
7 order until February 19, 2026 when the hearing on the preliminary injunction was set. This is
8 insufficient to establish good cause for an extended duration. First, the February 19, 2026
9 hearing was set at a time when no temporary restraining order had been issued. As such, no
10 effort was made to expedite the hearing further and schedule it within a 14-day period. Second,
11 the *Renewed Opposition* indicates POLYMARKET's counsel is not available on February 19,
12 2026, so the hearing must be re-scheduled anyway. For these reasons, there is insufficient cause
13 to extend the order beyond the normal 14-day time period at this time. Therefore, the
14 BOARD's request to do so is denied, but denied without prejudice to request an extension in a
15 subsequent filing if it believes circumstances develop to support good cause for a renewed
16 request.

17 **C. ORDER**

18 Therefore, good cause appearing,

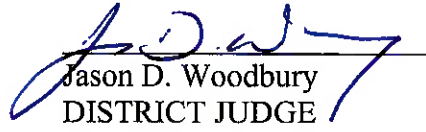
19 **IT IS HEREBY ORDERED** that *Plaintiff's Renewed Ex Parte Application for*
20 *Temporary Restraining Order and Motion for Preliminary Injunction* filed on January 26, 2026
21 is **GRANTED** insofar as it requests issuance of a temporary restraining order.

22 **IT IS HEREBY FURTHER ORDERED** that a hearing on *Plaintiff's Renewed Ex*
23 *Parte Application for Temporary Restraining Order and Motion for Preliminary Injunction*
24 filed January 26, 2026 will be held in the First Judicial District Court, located at 885 East
25 Musser Street, Carson City, Nevada, Department I, on **February 11, 2026, at 9:00 a.m.**

26 **IT IS HEREBY FURTHER ORDERED** that the hearing on the *Plaintiff's Application*
27 *for Temporary Restraining Order and Motion for Preliminary Injunction* filed January 16, 2026
28 set by the January 23, 2026 *Order Denying Application for Temporary Restraining Order*

1 *Without Prejudice and Setting Hearing on Motion for Preliminary Injunction on February 19,*
2 **2026 at 1:30 p.m. is VACATED.**

3 Dated this 29th day of January, 2026.

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6 Jason D. Woodbury
7 DISTRICT JUDGE
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