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Gibson Dunn Secures Preliminary Injunction Preventing Illinois From Enforcing Sports Wagering Laws Against Prediction Markets

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A team led by Gibson Dunn partner Yaira Dubin secured a preliminary injunction in the U.S. District Court for the Northern District of Illinois, preventing the State from enforcing its sports wagering laws against sports-related event contracts traded on prediction markets.

Coinbase filed suit in December 2025, arguing that federal law preempts Illinois state laws as applied to Coinbase's event-contract offerings. At oral argument in February, Yaira argued that Congress wrote the Commodity Exchange Act (CEA) to ensure that one body of law—and one federal regulator, the Commodity Futures Trading Commission (CFTC)—would regulate derivatives trading on nationwide exchanges. Congress deliberately rejected the prospect of piecemeal regulation by 50 different States, recognizing that a patchwork of state requirements would create the kind of market fragmentation and regulatory chaos that are incompatible with nationwide derivatives markets. In June 2026, the CFTC, the Coalition for Fair Markets (also represented by Gibson Dunn), Kalshi, and OG all filed preliminary injunctions seeking similar relief.

In granting the preliminary injunctions, the Court held that the plaintiffs are likely to succeed on the claim that Illinois' licensing laws as applied to sport-related event contracts are preempted by the CEA and that the core sports-related event contracts at issue are swaps. As the Court put it, "[m]any of the financial instruments at issue are likely swaps as defined by the Commodity Exchange Act—they just happen to be swaps that people find entertaining and fun."

The winning Gibson Dunn teams included partners Jeff Wall, Judd Littleton, Jordan Estes, Matt Owen, and Matt Rozen, of counsel Thomas Fu, and associates John Tienken, Parisa Sadeghi, Abby Walters, Stella Cernak, Brian Yeh, Sarah Kelly, Suzi Kondic, Stephanie Hahn, Angela Coco, Azucena Marquez, Karsyn Archambeau, Lizy Dabanka, Alex Hoyer, Jason Bae, and Trevor Gopnik. Coinbase was also represented by a Sullivan & Cromwell team that included Jamie McDonald, Ben Walker, Akash Toprani, and Rishabh Bhandari.

Related People

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