

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PEOPLE OF THE STATE OF NEW YORK, by	:	Case No. _____
LETITIA JAMES, Attorney General of the State of	:	
New York,	:	Removed from Supreme Court of the
	:	State of New York, County of New
Plaintiff,	:	York, Index No. 451603/2026
	:	
-against-	:	
	:	
GEMINI TITAN, LLC,	:	
	:	
Defendant.	:	
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NOTICE OF REMOVAL

PLEASE TAKE NOTICE that, for the reasons stated below, Gemini Titan, LLC (“Gemini”), by and through its undersigned counsel, hereby removes the above-captioned action (the “Action”) from the Supreme Court of the State of New York, County of New York, Case No. 451603/2026, to the United States District Court for the Southern District of New York pursuant to 28 U.S.C. §§ 1331, 1441, and 1442. This Court has federal question jurisdiction over this Action under 28 U.S.C. § 1331.

By filing this Notice of Removal, Gemini does not waive any defenses it has to this action whether in state or federal court, including, but not limited to, improper service of process and/or lack of personal jurisdiction. Gemini reserves the right to amend or supplement this Notice of Removal. In support of its Notice of Removal, Gemini states as follows:

INTRODUCTION

1. This case involves derivative contracts traded on a federally registered Designated Contract Market (“DCM”) and subject to exclusive regulation under the federal Commodity Exchange Act (“CEA” or “the Act”), which the State of New York is improperly attempting to

regulate. On April 21, 2026, Letitia James, in her capacity as Attorney General of the State of New York, on behalf of the People of the State of New York (“New York”), filed a Verified Petition against Gemini in the Supreme Court of the State of New York, County of New York, captioned *People of the State of New York v. Gemini Titan, LLC*, Index No. 451603/2026. Defendant has not yet been served with the Verified Petition.

2. New York purports to state a claim against Gemini under New York Executive Law § 63(12) for operating what it characterizes as an unlicensed gambling platform offering prediction markets and sports betting services.

3. Gemini operates a website and mobile device application through which its customers may engage in a variety of transactions, including event contracts. Event contracts are derivative instruments that enable parties to trade on their predictions about whether a future event—which may relate to economics, elections, climate, sports, or anything else of potential commercial consequence—will occur. Event contracts are “swaps” as defined by the CEA, and as such can only be traded on federally regulated exchanges that are subject to the exclusive jurisdiction of the CFTC. 7 U.S.C. §§ 1a(47)(A)(ii), (iv), 2(a).

4. New York claims that Gemini is “engaged in repeated and persistent illegal acts” because the company is supposedly promoting unlawful gambling activity and unauthorized sports wagering without complying with federal and state gambling laws. Specifically, New York alleges that Gemini is violating the New York State Constitution Article I, Section 9; New York Penal Law §§ 225.05, 225.10, 225.20; New York Racing, Pari-Mutuel Wagering and Breeding Law §§ 1367(16)(a), 1367-a(2)(a), 1367-a(4)(b); and the Federal Interstate Wire Act, 18 U.S.C. § 1084(a).

5. As relief, New York seeks an order and judgment (1) permanently enjoining Gemini from continuing to operate a gambling business in New York without being licensed by

the New York State Gaming Commission; (2) permanently enjoining Gemini and its principals, agents, and employees from violating federal and state gambling laws; (3) directing Gemini to produce an accounting of all bets placed, monies lost by customers in connection with its gambling business, and monies paid to Gemini in connection with its gambling business; (4) directing Gemini to pay restitution, disgorgement, damages, and penalties; (5) directing Gemini to pay a penalty of three times the amount of Gemini's gain from the alleged illegal practices; (6) directing Gemini to pay a penalty of \$100,000 for each offer or attempt to offer sports wagering or mobile sports wagering in New York without authorization; (7) granting costs to New York of \$2,000; and (8) granting such other and further relief as the Court deems just and proper.

6. A copy of the State's Verified Petition is attached hereto as Exhibit A. The State also filed an April 21, 2026 Order to Show Cause with Temporary Restraining; Gemini has not been served with those papers. No other process, pleadings, or orders have been filed in this action to Gemini's knowledge.

FEDERAL REMOVAL

7. This Action raises federal-law questions that are substantially similar to the issues that other prediction market participants, New York, other States, the CFTC, and other market participants have been litigating in federal courts across the country—including in district courts within the Second Circuit—for the past several months. *See Coinbase Financial Markets, Inc. v. Tong*, 3:25-cv-02121 (D. Conn.); *Coinbase Financial Markets, Inc. v. Raoul*, 1:25-cv-15406 (N.D. Ill.); *Coinbase Financial Markets, Inc. v. Nessel*, 4:25-cv-14092 (E.D. Mich.); *KalshiEX LLC v. Williams*, 1:25-cv-08846 (S.D.N.Y.); see also *United States v. Connecticut*, 3:26-cv-00498 (D. Conn.); *United States v. Illinois*, 1:26-cv-03659 (N.D. Ill.). Moreover, some of the very event contracts at issue in the State's Verified Petition—sports-related event contracts—are being

litigated in this Court. *See KalshiEx LLC v. Williams*, No. 1:25-cv-08846-AT (S.D.N.Y.). Appeals relating to similar issues are pending in the Fourth, Sixth, and Ninth Circuits. *See KalshiEX LLC v. Martin*, No. 25-1892 (4th Cir.); *KalshiEX, LLC v. Orgel*, No. 26-5235 (6th Cir.); *KalshiEX, LLC v. Hendrick*, No. 25-7516 (9th Cir.). The Third Circuit recently issued an opinion rejecting the arguments of state gambling regulators in similar litigation. *See KalshiEX, LLC v. Flaherty*, 2026 WL 924004 (3d Cir. Apr. 6, 2026); see also *Kalshiex LLC v. Orgel*, 2026 WL 474869, at *7 (M.D. Tenn. Feb. 19, 2026); *KalshiEX, LLC v. Hendrick*, 2025 WL 3286282, at *1, *14 (D. Nev. Nov. 24, 2025).

8. Under 28 U.S.C. § 1441, any civil action filed in state court over which a federal court has original jurisdiction may be removed to the federal district court for the district in which the state court action is pending. Removal is proper here for three reasons: (1) federal issues are necessarily raised because New York alleges that Gemini violated the Federal Interstate Wire Act; (2) all of the claims are preempted by federal statute; and (3) New York has “artfully pleaded” the Petition to avoid naming the CFTC.

9. *First*, federal-law issues are necessarily raised, actually disputed, substantial, and capable of resolution in federal court without disrupting the federal-state balance approved by Congress. 28 U.S.C. § 1331; *Gunn v. Minton*, 568 U.S. 251, 258 (2013); *Grable & Sons Metal Prods., Inc. v. Darue Eng’g & Mfg.*, 545 U.S. 308, 313-314 (2005).

10. Federal-law issues are necessarily raised because New York alleges that Gemini has violated New York gambling laws by, among other things, operating an unlicensed platform through which its customers may “risk or stake something of value upon the outcome of a future contingent event not under the bettor’s control or influence.” In addition, New York alleges that Gemini has violated the Federal Interstate Wire Act by using wire communication facilities “for

the transmission in interstate commerce of (1) bets or wagers, (2) information assisting in the placing thereof on a sporting event or contest, or (3) of a wire communication confirming payments resulting from bets or wagers.” 18 U.S.C. § 1084(a). New York cannot establish these claims without the resolution of disputed questions of federal law. New York’s purported state-law claims also each hinge on the proper construction of the federal CEA. That is because each of these state-law claims, which ultimately prohibit some form of gambling or wagering, must be read in light of federal law’s requirements. *See Armstrong v. Exceptional Child Ctr., Inc.*, 575 U.S. 320, 325 (2015) (federal law must prevail “when state and federal law clash”). New York’s allegation that Gemini violated the Federal Interstate Wire Act also necessarily raises issues of federal law.

11. The federal law issues here are disputed. The federal legal issues in this action are substantially similar to those actively in dispute in federal courts in New York and across the country. *See supra* ¶ 7. New York also alleges that Gemini has violated the Federal Interstate Wire Act. Gemini strongly disputes New York’s contention: Even if event contracts qualify as a “bet” or “wager” (which they do not), the Federal Interstate Wire Act includes a “safe harbor provision for bets placed to and from states” where that activity “is lawful.” *W. Flagler Assocs., Ltd. v. Haaland*, 71 F.4th 1059, 1069 (D.C. Cir. 2023). Given that the CEA preempts all contrary state laws as to the event contracts at issue here, these contracts are legal in every State. Thus, the applicability of the Federal Interstate Wire Act also is squarely disputed.

12. The federal questions here are substantial because they are important to the “federal system as a whole.” *See Gunn*, 568 U.S. at 260. Here, New York’s Verified Petition alleges that prediction market platforms must obtain New York gambling licenses to offer event contracts in the State. That claim plainly raises the scope of the CFTC’s “exclusive jurisdiction”

to regulate swaps traded on federally designated exchanges and the States' authority to countermand that federal regulation.

13. *Second*, the claims are subject to complete preemption. Complete preemption gives rise to federal jurisdiction when “federal statutes are construed to have such extraordinary preemptive force that state-law claims coming within the scope of the federal statute are transformed, for jurisdictional purposes, into federal claims—i.e., completely preempted.” *Sullivan v. Am. Airlines, Inc.*, 424 F.3d 267, 272 (2d Cir. 2005) (quotation omitted). When a federal court is confronted with “a completely preempted state-law claim,” it “is obliged to construe the complaint as raising a federal claim” that necessarily may be removed to federal court. *Id.* This Court has jurisdiction over New York’s claims because they are completely preempted by the CEA, which grants the CFTC “exclusive jurisdiction” over event contracts trading on federally regulated exchanges through federally regulated intermediaries. *See* 7 U.S.C. § 2(a)(1)(A). The activity in question properly occurred on a DCM. The Third Circuit, in *KalshiEX, LLC v. Flaherty*, has ruled that “Congress gave the CFTC exclusive jurisdiction over trades on DCMs,” among other findings, and that therefore “it was reasonable for the District Court to conclude that Kalshi was likely to succeed in showing that the Act preempts New Jersey law from reaching into Kalshi’s CFTC-licensed DCM to ban sports-related event contracts.” No. 25-1992, 2026 WL 924004, *6 (3d. Cir. Apr. 6, 2026).

14. *Third*, New York cannot defeat federal-officer removal through artful pleading. New York seeks injunctive relief under Executive Law § 63(12). But New York Civil Practice Law and Rules § 1001(a) is clear that such relief requires naming as parties any person “who *ought* to be parties if complete relief is to be accorded . . . or who might be inequitably affected by a judgment in this action.” New York is undoubtedly aware that the CFTC has claimed a “substantial

interest” in the “scope of its exclusive jurisdiction,” including the “CEA’s preemption of state laws attempting to regulate trading on CFTC-registered contract markets.” *N. Am. Derivatives Exch., Inc. v. Nevada*, No. 25-7187, Dkt. No. 30.1, at 1-2 (9th Cir. Feb. 5, 2026). Nevertheless, New York did not name the CFTC in this Action. Had it done so, as is required by CPLR § 1001(a), there would be yet another basis for removal pursuant to the federal officer removal statute. *See* 28 U.S.C. § 1442(a)(1); *Chevron USA Inc. v. Plaquemines Parish*, 2026 WL 1040461, at *6 (2026).

OTHER PROCEDURAL REQUIREMENTS

15. New York filed its Verified Petition on April 21, 2026, and Gemini learned of the filing on the same day. Removal is timely because Gemini has not yet been served with the Verified Petition. 28 U.S.C. § 1446(b)(1), (c)(1); *see Murphy Bros. v. Michetti Pipe Stringing, Inc.*, 526 U.S. 344, 354 (1999).

16. Venue is proper pursuant to 28 U.S.C. §§ 102, 1441(a), and 1446(a) because the United States District Court for the Southern District of New York is the federal judicial district court embracing the Supreme Court of the State of New York, County of New York, where the Verified Petition was filed.

17. In accordance with 28 U.S.C. § 1446(d), written notice of this Notice of Removal will be promptly provided to New York and filed with the Supreme Court of the State of New York, County of New York.

Dated: April 22, 2026

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motions forthcoming

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