

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA**

NICK WILLIS,

Plaintiff,

v.

KALSHI INC., KALSHIEX LLC, KALSHI
KLEAR INC., KALSHI KLEAR LLC,
KALSHI TRADING, SUSQUEHANNA
INTERNATIONAL GROUP, LLP,
SUSQUEHANNA GOVERNMENT
PRODUCTS, LLC,

Defendants.

Case No. _____

NOTICE OF REMOVAL

Defendants Kalshi Inc., KalshiEX LLC, Kalshi Klear Inc., Kalshi Trading LLC (incorrectly named in the case caption as “Kalshi Trading”) (collectively, the “Kalshi Defendants”), Susquehanna International Group, LLP, and Susquehanna Government Products, LLLP (incorrectly named in the case caption as “Susquehanna Government Products, LLC”) (collectively, the “Susquehanna Defendants,” and with the Kalshi Defendants, the “Defendants”) hereby remove this action from the Circuit Court for Franklin County, Alabama to the United States District Court for the Northern District of Alabama pursuant to 28 U.S.C. §§ 1331 and 1441.¹ KalshiEX LLC and Kalshi Klear LLC also remove this action pursuant to 28 U.S.C.

¹ Susquehanna Government Products, LLLP was served on March 30, 2026. Susquehanna International Group, LLP and the Kalshi Defendants have not yet been served. *Whitehurst v. Wal-Mart*, 306 F. App’x 446, 448 (11th Cir. 2008) (“[N]othing in the removal statute, or any other legal provision, requires that a defendant be served with the complaint before filing a notice of removal.”).

§ 1442(a)(2), and, for the reasons set forth *infra* Section III, that basis for removal is effective as to the remaining Defendants, which join therein.

This Notice of Removal is not intended to constitute and should not be construed as constituting the general appearance or appearance on the merits of the Defendants in this matter. By filing this Notice of Removal, the Defendants do not waive any defenses they have to this action whether in state or federal court, including, but not limited to improper service of process, lack of personal or subject matter jurisdiction, and the Defendants’ right to compel this action to arbitration.

In support of removal, the Defendants respectfully state as follows:

I. BACKGROUND

A. The Defendants

1. KalshiEX LLC (“KalshiEX”) is a financial services company that operates a federally regulated derivatives exchange and prediction market on which users can buy and sell financial products known as “event contracts.” Event contracts allow users to take “yes” or “no” positions on the outcome of specified events, such as which candidate will win an election or whether the seasonally adjusted unemployment rate reported by the Bureau of Labor Statistics will exceed a certain percentage. KalshiEX also offers event contracts based on sporting and other events.

2. Event contracts are a type of “swap” within the meaning of the Commodity Exchange Act of 1936, 7 U.S.C. § 1 *et seq.* (“CEA”). *See* 7 U.S.C. § 1a(47)(A)(ii) (defining “swap” to include “any agreement, contract, or transaction . . . that provides for any . . . payment[] or delivery . . . that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence”); *KalshiEX, LLC v. Flaherty*, ____ F.4th ____, 2026 WL 924004, at *2 (3d Cir. Apr.

6, 2026) (“*Flaherty II*”) (“‘swap’ includes event contracts”).² KalshiEX’s exchange is a designated contract market (“DCM”), and under the CEA, regulation of DCMs is committed to the exclusive jurisdiction of the Commodity Futures Trading Commission (“CFTC”). *See* 7 U.S.C. § 2(a)(1)(A); *see also Flaherty II*, 2026 WL 924004, at *2 (“The [CEA] preempts state laws that directly interfere with swaps traded on DCMs. Kalshi’s . . . event contracts are swaps traded on a CFTC-licensed DCM, so the CFTC has exclusive jurisdiction.”); *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 386 (1982) (“the [CFTC] was given exclusive jurisdiction over commodity futures trading” pursuant to the CEA).

3. Kalshi Klear LLC (“Kalshi Klear”) provides clearing services for event contracts traded on KalshiEX’s DCM platform. Kalshi Klear offers clearing and settlement services to market participants for pre-funded and fully collateralized trades. Kalshi Klear is registered with and federally regulated by the CFTC as a derivatives clearing organization (“DCO”) pursuant to the CEA.

4. Kalshi Trading LLC (“Kalshi Trading”) participates on and provides liquidity for the contracts traded on the KalshiEX DCM platform. Like other market participants, Kalshi Trading is a member of KalshiEX’s exchange and subject to KalshiEX’s rules.

5. Kalshi Inc. is the parent holding company of Kalshi Klear Inc., KalshiEX, and Kalshi Trading.

6. Kalshi Klear Inc. is a wholly owned subsidiary of Kalshi Inc. and the sole member of Kalshi Klear.

² Unless otherwise indicated, all citations have been “cleaned up”.

7. Susquehanna International Group, LLP (“SIG”) and Susquehanna Government Products, LLLP (“SGP”) are alleged to “operate as bookmakers” on KalshiEX. ¶ 31.³

B. The Case

8. Plaintiff Nick Willis filed this action in the Circuit Court for Franklin County, Alabama on March 20, 2026. Ex. A.

9. Plaintiff purports to bring a claim under Ala. Code § 8-1-150(b). ¶ 1. This centuries-old law, referred to as the “Statute of Anne,” is modeled after an eponymous British law enacted in 1710. Plaintiff claims that it authorizes him to sue to recover “all sums paid by Alabama residents . . . betting on future events on [the] Kalshi website.” ¶ 48. Plaintiff allegedly “seeks this recovery to go to the benefit of the families of the gamblers who paid the money.” ¶ 49.

10. As relevant here, § 8-1-150 authorizes anyone who has “lost upon any game or wager” to recover their loss “by an action commenced within six months from the time of such payment or delivery.” Ala. Code § 8-1-150(a). However, if the loser does not sue within six months, “[a]ny other person may also recover the amount” lost “by an action commenced within 12 months after the payment or delivery thereof for the use of the wife or, if no wife, the children or, if no children, the next of kin of the loser.” *Id.* § 8-1-150(b). “The theory, and the only theory, upon which the plaintiff may recover[] under the statute[] is that the defendants have money belonging to the [alleged loser] which they have no right to retain.” *Motlow v. Johnson*, 39 So. 710, 711 (Ala. 1905).

11. The Complaint purports to sue the Defendants under § 8-1-150(b) for hosting and trading in federally regulated and lawful event contracts. *See, e.g.*, ¶¶ 26, 28, 32. As noted above,

³ Unless otherwise specified, “¶ ___” refers to paragraphs in the Complaint, attached hereto as part of Ex. A.

the event contracts at issue were traded on an exchange market that is federally regulated as a DCM by the CFTC.

12. The Complaint does not allege that any of the Defendants “have money belonging to [alleged losers] which they have no right to retain.” *Motlow*, 39 So. at 711. Indeed, Plaintiff advances no theory under which the Defendants could be held liable under § 8-1-150(b). Instead, Plaintiff merely alleges (without differentiation amongst the Kalshi entities) that “Kalshi operates an online ‘prediction market’” on which “Alabama residents can buy and sell ‘event contracts’” and that “[m]arket makers set probabilities for future events on Kalshi by buying what they consider to be undervalued event contracts and selling those that they considered to be overvalued.” ¶¶ 26, 32.

II. THE COURT HAS FEDERAL QUESTION JURISDICTION

13. This Court has federal question jurisdiction over this action because Plaintiff’s claim necessarily depends on the resolution of a substantial question of federal law. 28 U.S.C. § 1331.

14. An action arises under federal law if the complaint establishes “that the plaintiff’s right to relief necessarily depends on resolution of a substantial question of federal law.” *Empire Healthchoice Assurance, Inc v. McVeigh*, 547 U.S. 677, 690 (2006). The question of federal law must be: “(1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress.” *Gunn v. Minton*, 568 U.S. 251, 258 (2013).

15. ***Federal law is necessarily raised***—Ala. Code § 8-1-150 invalidates contracts “founded” on “gambling consideration” and authorizes the loser or “[a]ny other person” to recover losses incurred through such contracts. However, by its own terms, the section applies only to “gambling,” and Alabama law defines gambling to not include “bona fide business transactions

valid under the law of contracts, including but not limited to contracts for the purchase or sale at a future date of securities or commodities.” Ala. Code § 13A-12-20(4); *see* ¶ 36.

16. Kalshi’s event contracts qualify as such because they are bona fide transactions in commodities being offered on a federally regulated exchange. *See* 7 U.S.C. § 1a(47)(A)(ii) (defining “swap” to include “any agreement, contract, or transaction . . . that provides for any . . . payment[] or delivery . . . that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence”); *Flaherty II*, 2026 WL 924004, at *2 (“‘swap’ includes event contracts”). Plaintiff’s claims therefore necessarily turn on the federal issue of whether event contracts are “contracts for the purchase or sale at a future date of securities or commodities,” Ala. Code § 13A-12-20(4)—*i.e.*, swaps regulated exclusively by the CFTC—or “gambling.” *See, e.g., Georgia Gambling Recovery LLC v. Kalshi Inc.*, 2026 WL 279375, at *2 (M.D. Ga. Feb. 3, 2026) (finding federal question jurisdiction in case involving Georgia Statute of Anne claim because “determining whether [KalshiEX’s] event contracts here are illegal necessarily requires an examination of federal law and its potential preemptive effect on these contracts”); *Old Dominion Elec. Coop. v. PJM Interconnection, LLC*, 24 F.4th 271, 284 (4th Cir. 2022) (state law claims necessarily raised a federal question where a court could not award damages “without finding some way around the terms” of federal law); *Handy Land & Timber, LLLP v. Transcon. Gas Pipe Line Co., LLC*, 762 F. App’x 810, 812-813 (11th Cir. 2019) (affirming exercise of federal question jurisdiction where state law claim required the court to “necessarily interpret” the scope of “federally-granted authority” to the defendant). Plaintiff recognizes this issue is at the core of his claim because he alleges that Kalshi’s event contracts are “illegal wagers” rather than

“commodities . . . regulated by the [CFTC].” ¶ 26. Resolution of that question necessarily implicates federal law.

17. Plaintiff also has the burden to establish that event contracts are illegal wagers subject to Alabama’s Statute of Anne. ¶¶ 3, 10, 26, 28, 36-37. Plaintiff seeks to invalidate facially valid event contracts by alleging they are unlawful. ¶ 37 (“[P]layers of defendants’ games pay real money to purchase ‘futures contracts’, which are essentially wagers on what will happen.”). And under Alabama law, “he who would defeat a contract, valid on its face, for illegality, has the burden of allegation to that end.” *Bryant v. Starkey*, 39 So.2d 291, 293 (Ala. 1949); *see also id.* (“the burden of allegation and proof” to establish the illegality of federally lawful futures contracts was “upon him who assert[ed]” their illegality). As a result, the legality of Kalshi’s event contracts is not an affirmative defense and the federal question necessarily raised—*i.e.*, whether event contracts are lawful federal swaps or unlawful “gambling” within the meaning of Ala. Code § 13A-12-20(4)—is an integral part of Plaintiff’s claim. *See Georgia Gambling Recovery*, 2026 WL 279375, at *2.

18. ***Federal law is disputed***—Defendants dispute that they can be liable because the event contracts at issue were traded on an exchange market that is federally regulated as a DCM by the CFTC. On the merits, whether trading event contracts is unlawful gambling or federally regulated swap transactions is “the central point of dispute.” *See Gunn*, 568 U.S. at 259; *see also* ¶ 37 (case depends on whether users are purchasing “futures contracts” or “gambling”).

19. ***The federal question is substantial***—The question raised under federal law is substantial, as Plaintiff’s right to recovery under Alabama’s Statute of Anne depends on whether the event contracts are federally authorized and regulated swaps under the CEA, which would necessarily mean trading them cannot be “gambling” as defined by state law. Ala. Code § 13A-

12-20(4); *supra* ¶ 15. A “pure question of law” such as this one “is more likely to be a substantial federal question.” *MDS (Can.) Inc. v. Rad Source Techs., Inc.*, 720 F.3d 833, 842 (11th Cir. 2013). Furthermore, subjecting Kalshi’s event contracts to Alabama’s Statute of Anne would call into question the validity of the CEA, undoubtedly a substantial federal question. *See Gunn*, 568 U.S. at 261 (explaining that a question is substantial where, for example, it calls into question the validity of a federal statute); *Handy Land*, 762 F. App’x at 813 (“[Q]uestion of law requir[ing] an evaluation of federally-granted authority . . . clearly implicates federal interests.”).

20. Further, “the importance of this issue to the federal system as a whole,” *Gunn*, 568 U.S. at 260, is indisputable. The United States and CFTC have jointly sued five states to enjoin enforcement of state gambling laws against DCMs and other market participants, including KalshiEX. *See* Compl., *United States v. Wisconsin*, 2:26-cv-00749, Dkt. No. 1 (E.D. Wis. Apr. 28, 2026); Compl., *United States v. New York*, No. 1:26-cv-03404 (S.D.N.Y. Apr. 24, 2026), Dkt. No. 1; Compl., *United States v. Arizona*, No. 2:26-cv-02246, (D. Ariz. Apr. 2, 2026), Dkt. No. 1 (“CFTC Ariz. Compl.”); Compl., *United States v. Connecticut*, No. 3:26-cv-00498 (D. Conn. Apr. 2, 2026), Dkt. No. 1; Compl., *United States v. Illinois*, No. 1:26-cv-03659 (N.D. Ill. Apr. 2, 2026), Dkt. No. 1 (collectively, the “CFTC Compls.”). The CFTC has also filed an amicus brief in support of its exclusive jurisdiction. *Amicus Br. of CFTC, N. Am. Derivatives Exch., Inc. v. Nevada*, No. 25-7187 (9th Cir. Feb. 17, 2026), Dkt. No. 38.2 (“CFTC Amicus Br.”). Furthermore, earlier this year, the CFTC issued two significant pronouncements regarding prediction markets. *First*, the CFTC published guidance supporting lawful innovation in prediction markets, including sports event contracts.⁴ *Second*, the CFTC published an Advanced Notice of Proposed Rulemaking, seeking public comment on a range of issues in this space, including the types of event contracts

⁴ Frank N. Fisanich, Prediction Markets Advisory, CFTCLTR No. 26-08 (Mar. 12, 2026).

that may be prohibited as contrary to the public interest, applicable Core Principles, and other topics.⁵ The CFTC has also withdrawn a rule proposal and staff advisory regarding event contracts⁶ and submitted a notice of proposed rulemaking regarding event contracts traded on prediction markets.⁷ These actions reflect robust federal interest in the event contracts at issue here, and it is undeniable that the federal government views this issue—application of state gambling laws to derivatives trading on DCMs—as important to the federal system. *Cf. MDS*, 720 F.3d at 842 (“[A] question that the government has a strong interest in litigating in a federal forum is more likely to be a substantial federal question.”).

21. ***The federal issue is capable of resolution without disrupting the federal-state balance***—This Court is best-positioned to resolve the issue of whether the event contracts are federally regulated swap transactions, and are, therefore, not illegal under Alabama’s Statute of Anne. *See Curran*, 456 U.S. at 386 (1982) (the CFTC has “exclusive jurisdiction over commodity futures trading”); *In re Int. Rate Swaps Antitrust Litig.*, 261 F. Supp. 3d 430, 445 (S.D.N.Y. 2017) (explaining that the CEA was amended in 2010 to “establish a comprehensive new regulatory framework for swaps” and the CFTC was “vested . . . with exclusive jurisdiction to implement that framework”). Because the event contracts at issue are swaps and are subject to exclusive federal regulation, they cannot be regulated under state gambling laws. *See Flaherty II*, 2026 WL 924004, at *2 (“the CFTC has exclusive jurisdiction” over “Kalshi’s . . . event contracts”); *Blue Lake Rancheria v. Kalshi Inc.*, 2025 WL 3141202, at *7 (N.D. Cal. Nov. 10, 2025) (“[T]he [CFTC] . . .

⁵ Prediction Markets, 91 Fed. Reg. 12,516 (proposed Mar. 16, 2026).

⁶ *CFTC Withdraws Event Contracts Rule Proposal and Staff Sports Event Contracts Advisory*, CFTC (Feb. 4, 2026), <https://www.cftc.gov/PressRoom/PressReleases/9179-26>.

⁷ *CFTC Seeks Public Comment on Advanced Notice of Proposed Rulemaking Relating to Prediction Markets*, CFTC (Mar. 12, 2026), <https://www.cftc.gov/PressRoom/PressReleases/9194-26>.

has ‘exclusive jurisdiction’ over its contract markets.”); *KalshiEX LLC v. Orgel*, 2026 WL 474869, at *7 (M.D. Tenn. Feb. 19, 2026) (“the CFTC [has] ‘exclusive jurisdiction’ over swaps” and “sports event contracts are ‘swaps’ ”); *KalshiEX LLC v. Flaherty*, 2025 WL 1218313, at *6 (D.N.J. Apr. 28, 2025) (rejecting argument that KalshiEX’s event contracts do not meet the requirement of a “potential financial, commercial, or economic consequence” to warrant the CFTC’s exclusive regulation). This Court is best positioned to resolve this “nearly pure issue of law.” *Empire*, 547 U.S. at 700 (noting that the resolution of “nearly pure” issues of law provide the strongest basis for federal question jurisdiction). Such a resolution by this Court, therefore, will not disrupt the federal-state balance but will instead reinforce the harmonious application of federal and state laws, consistent with the Supremacy Clause. U.S. Const. art. VI, cl. 2. Indeed, as the United States and CFTC have made clear in suing to enjoin state court actions against Kalshi, resolution of this important question by the states risks disrupting the federal-state balance struck by Congress. *See generally* CFTC Compls.

III. THE COURT HAS JURISDICTION UNDER 28 U.S.C § 1442(a)(2)

22. As to KalshiEX and Kalshi Klear, removal is also proper pursuant to 28 U.S.C. § 1442(a)(2), which authorizes removal of a civil prosecution directed against “[a] property holder whose title is derived from any . . . officer [of the United States or of any agency thereof], where such action . . . affects the validity of any law of the United States.” Federal courts have made it clear that the federal officer removal statute “must be ‘liberally construed.’” *Watson v. Philip Morris Cos.*, 551 U.S. 142, 147 (2007) (quoting *Colorado v. Symes*, 286 U.S. 510, 517 (1932)); *Craig v. A.W. Chesterton Co.*, 673 F. Supp. 3d 1271, 1276 (S.D. Ala. 2023) (same).

23. This action is removable under this provision because KalshiEX’s designation as a DCM and Kalshi Klear’s designation as a DCO under the CEA constitute property derived from the CFTC, and this action directly affects the validity of the CEA.

A. KalshiEX And Kalshi Klear Are Property Holders With Title Derived From The CFTC.

24. The CFTC approved KalshiEX's designation as a DCM and Kalshi Klear's designation as a DCO pursuant to the CEA on November 3, 2020 and August 28, 2024, respectively. *See* Ex. B (CFTC DCM Designation Order); Ex. C (CFTC DCO Registration Order).

25. Although "property" is not defined in § 1442(a)(2), property is generally understood to include "[a]ny external thing over which the rights of possession, use, and enjoyment are exercised" and "every kind of valuable right and interest that can be made the subject of ownership." *Property*, Black's Law Dictionary (12th ed. 2024); *see also Reiter v. Sonotone Corp.*, 442 U.S. 330, 338 (1979) ("In its dictionary definitions and in common usage 'property' comprehends anything of material value owned or possessed."); *Ala. Mun. Ins. Corp. v. Scottsdale Ins. Co.*, 297 F. Supp. 3d 1248, 1258 n.6 (N.D. Ala. 2017) ("The dictionary defines 'Property' as 'something owned or possessed.'").

26. A government licensee has a property right where he has "more than a unilateral expectation" in the license and, "instead, ha[s] a legitimate claim of entitlement." *Bd. of Regents of State Colls. v. Roth*, 408 U.S. 564, 577 (1972). Thus, a government license creates a property interest where it can be "suspended only upon a satisfactory showing" of misconduct. *Barry v. Barchi*, 443 U.S. 55, 64 (1979); *see also Pastrana v. United States*, 746 F.2d 1447, 1450 (11th Cir. 1984) (federal pilot's certification was a "cognizable property interest" because the licensee "has a continuing legitimate claim of entitlement to the pilot certificate, and . . . is entitled to appropriate notice and hearing before being denied use of that pilot certificate."). Government licenses may also become property where, once issued, "their continued possession . . . become[s] essential in the pursuit of a livelihood." *Bell v. Burson*, 402 U.S. 535, 539 (1971); *see also Green v. Brantley*,

719 F. Supp. 1570, 1575 (N.D. Ga. 1989) (federal pilot license “qualifies as a protectable property interest” because “it affords the plaintiff the means by which he earns his living”).

27. KalshiEX and Kalshi Klear have legitimate claims of entitlement to their designations. KalshiEX and Kalshi Klear were required to go through a licensing process to obtain their designations, and only after obtaining those entitlements were they authorized to facilitate the trading and clearing of event contracts. *See* CFTC Ariz. Compl. ¶ 32 (“The CEA requires that . . . commodity derivative transactions . . . be conducted on exchanges designated by, or registered with, the CFTC.”); 7 U.S.C. § 7b-3(a)(1) (“No person may operate a facility for the trading or processing of swaps unless the facility is registered as a . . . [DCM] under this section.”); 17 C.F.R. § 38.3 (setting forth requirements and procedures for registration as a DCM); 7 U.S.C. § 7a-1(a)(1)(B) (“[I]t shall be unlawful for [a DCO] . . . to perform the functions of a derivatives clearing organization with respect to . . . a swap” unless registered with the CFTC.); 17 C.F.R. § 39.3 (setting forth requirements and procedures for registration as a DCO); *see also Bd. of Regents*, 408 U.S. at 577 (property rights are created by “rules or understandings that secure certain benefits and that support claims of entitlement” thereto).

28. KalshiEX’s and Kalshi Klear’s designation and registration orders, Exs. B and C, establish their legitimate claims of entitlement over, *i.e.*, their ***titles*** to, their designations. *See Title*, Black’s Law Dictionary (12th ed. 2024) (defining “title” as “the legal link between a person who owns property and the property itself”); *see also Cecil Nat’l Bank v. Watsontown Bank*, 105 U.S. 217, 222 (1881) (a “certificate of ownership” is “evidence of title”). Furthermore, the “continued possession” of KalshiEX’s DCM and Kalshi Klear’s DCO licenses is “essential” to the pursuit of those entities’ business. *Bell*, 402 U.S. at 539. Without their licenses, the entities cannot

facilitate the trading, execution, or clearing of event contracts. *See* 7 U.S.C. § 7b-3(a)(1); CFTC Ariz. Compl. ¶ 32; *see also Green*, 719 F. Supp. at 1575.

29. Finally, KalshiEX’s and Kalshi Klear’s designations as a DCM and DCO come with the procedural protections typical of property rights. *See* 7 U.S.C. § 1a(40) (defining registered entity). For example, KalshiEX’s and Kalshi Klear’s designations as a contract market and a clearing organization cannot be suspended or revoked by the CFTC without cause; the designations may only be revoked or suspended after providing notice, a hearing, and an opportunity to appeal to federal court. 7 U.S.C. § 7b (“The failure of a registered entity to comply with any provision of this chapter . . . shall be cause [for suspension or revocation] in accordance with the procedures and subject to the judicial review provided in section 8(b) of this title”); 7 U.S.C. § 8(b) (describing process required before suspending or revoking a designation as a contract market). Those requirements reinforce that KalshiEX and Kalshi Klear have a property interest in their respective designations. *See, e.g., Pastrana*, 746 F.2d at 1450 (finding property right where “the FAA’s authority to revoke or suspend” a pilot certificate required “prior notice and opportunity for hearing”); *Cosby v. Lee County*, 55 F. Supp. 3d 1393, 1401 (M.D. Fla. 2014) (“legitimate claim of entitlement is created only when the statutes or regulations in question establish a framework of factual conditions delimiting entitlements which are capable of being explored in a due process hearing”).

B. This Action Impacts the Validity of the CEA.

30. The removal statute’s purpose is to provide a layer of protection from local prejudice for those acting under federal authority so that the federal government can function. *See Chevron USA Inc. v. Plaquemines Par.*, 608 U.S. ___, 2026 WL 1040461, at *3 (2026) (“[T]o protect the Federal Government from state-court interference with its operations, Congress has given federal courts jurisdiction [under 28 U.S.C. § 1442.]”); *see also Georgia v. Meadows*, 88

F.4th 1331, 1342 (11th Cir. 2023) (similar); *see id.* at 1351 (Rosenbaum, J., concurring). Thus, a lawsuit affects the validity of a federal law where it “would evade . . . or otherwise frustrate [the law’s] aims.” *Carney v. Washington*, 551 F. Supp. 3d 1042, 1053-54 (W.D. Wash. 2021); *see also Town of Davis v. W. Va. Power & Transmission Co.*, 647 F. Supp. 2d 622, 627 (N.D. W. Va. 2007) (noting in denying remand that the “court need look no further than the . . . federal regulations, whose object . . . certainly stands to be frustrated by this action”); *Micron Tech., Inc. v. Netlist, Inc.*, 744 F. Supp. 3d 1115, 1125 (D. Idaho 2024) (applying the “evade” or “otherwise frustrate” standard).

31. Plaintiff’s lawsuit would frustrate the CEA’s aims. The CEA provides for exclusive federal regulation of swap transactions on DCMs and seeks to avoid a patchwork of state regulation that conflicts with the CFTC’s exclusive jurisdiction. *See* 7 U.S.C. § 2(a)(1)(A); CFTC Ariz. Compl. ¶ 46 (“Congress recognized the need for uniform, nationwide regulation of futures and options markets because concurrent regulation by the states or other federal regulators such as the Securities and Exchange Commission could lead to ‘total chaos.’ ”); *Flaherty II*, 2026 WL 924004, at *5 (“Congress created the CFTC and amended the Act to do away with the patchwork of state regulations and bring futures trading on DCMs under the exclusive jurisdiction of the CFTC.”); *see also* H.R. Rep. No. 93-975, at 76 (1974) (CEA brought “all exchanges . . . under the same set of rules”); Consolidated Pls.’ Mot. for Prelim. Inj. & TRO at 2, 8-10 *KalshiEX LLC v. Johnson*, No. 2:26-cv-01715 (D. Ariz. Apr. 8, 2026), Dkt. No. 49 (“CFTC TRO Br.”) (state enforcement actions “undermine the uniform application of federal law” and threaten to subject DCMs to “a patchwork of 50 state regulations”—which is “precisely what Congress sought to avoid with the CEA”); CFTC Amicus Br. at 2.

32. As an initial matter, KalshiEX’s event contracts easily “fit within the [CEA]’s definition of ‘swaps’ subject to the CFTC’s jurisdiction.” *Flaherty II*, 2026 WL 924004, at *3; *see* CFTC Amicus Br. at 14-18 (explaining that event contracts are “swaps” under the “plain language” of the CEA). Because they are “swaps under the [CEA],” event contracts are “properly” regulated as “trading on a DCM (a form of futures trading) rather than as gambling (a broader and traditionally state-regulated field).” *Flaherty II*, 2026 WL 924004, at *4. Given this precise delineation of federal and state spheres, the regulation of KalshiEX’s event contracts under state gambling laws—as Plaintiff seeks to do here—would create “a clash between a constitutional exercise of Congress’s legislative power and conflicting state law.” *Id.* at 10 (citing *Murphy v. NCAA*, 584 U.S. 453, 479 (2018)); *see also* CFTC Ariz. Compl. ¶ 6 (“Prompted by the evolution of national financial markets and repeated conflicts with state law, Congress enacted the CEA, granting the CFTC exclusive jurisdiction to regulate those markets and enacting a comprehensive federal regulatory framework that preempts state laws that attempt to regulate the operation of, or transactions on, CFTC-regulated exchanges.”); *id.* ¶ 68 (state enforcement actions directly “conflicts” with the “exclusive governance” over event contracts that Congress granted to the CFTC); U.S. Const. art. VI, cl. 2; *see also* *Flaherty II*, 2026 WL 924004, at *4 (CEA field preempts application of state law to KalshiEX).

33. Indeed, as the CFTC has warned, allowing Plaintiff to apply state anti-gambling laws to KalshiEX would “subvert” the CEA, CFTC Ariz. Compl. ¶ 12, and would “directly conflict[] with the full purposes and objectives” of Congress. *Flaherty II*, 2026 WL 924004, at *5; *see also* CFTC TRO Br. at 17 (similar). Enforcement of Alabama’s gambling laws “would create an obstacle to executing the [CEA] because such state enforcement would prohibit Kalshi[EX], which operates a licensed DCM under the exclusive jurisdiction of the CFTC, from

offering its . . . event contracts” in Alabama. *Flaherty II*, 2026 WL 924004, at *5. This type of piecemeal “state regulation is exactly the patchwork that Congress replaced wholecloth by creating the CFTC.” *Id.* at *5. Furthermore, compliance with state-specific prohibitions on event contracts would be “impossible” for DCMs, because these prohibitions conflict with the “federal mandate to provide impartial national access.” CFTC Ariz. Compl. ¶ 72; *see also* CFTC Amicus Br. at 26-27; *Flaherty II*, 2026 WL 924004, at *5.

34. This action would also fundamentally subvert the exclusive jurisdiction of the CFTC over DCMs by delegating enforcement to what are effectively private attorneys general. ¶ 44 (alleging that Plaintiff “brings this case as a private attorney general”); *see also* CFTC TRO Br. at 6 (enforcement of “preempted [state laws] as applied to federally regulated DCMs . . . causes irreparable harm to the federal plaintiffs.”); CFTC Amicus Br. at 2 (state enforcement actions constitute “fundamental threat to Congress’s statutory design”). For nearly a century, Congress has occupied the field as to “the regulation of trading on a DCM.” *Flaherty II*, 2026 WL 924004, at *4. That comprehensive regulatory scheme “has left no room” for supplementary regulation under state law, as Plaintiff seeks to do here. *Id.*

35. In sum, this action affects the validity of the CEA in several ways: It would (i) create an obstacle to the accomplishment of Congress’s objectives as set forth in the CEA; (ii) pose a “fundamental threat” to the CFTC’s exclusive jurisdiction under the CEA; (iii) risk creating a patchwork of state regulation that the CEA is designed to avoid; and (iv) risk invalidating the definition of “swap” in the CEA. *See* CFTC Amicus Br. at 2, 27 *see also* CFTC Ariz. Compl. ¶ 63 (listing same reasons in explaining why state criminal prosecution would affect the validity of the CEA). These effects would “subvert federal law” and fundamentally affect the validity of the CEA. *Id.* ¶ 12.

IV. DEFENDANTS MEET THE OTHER PROCEDURAL REQUIREMENTS FOR REMOVAL

36. Susquehanna Government Products, LLLP was served with the Complaint on March 30, 2026. Susquehanna International Group, LLP and the Kalshi Defendants have not yet been served in this action, but consent to and join in the removal. *See Whitehurst*, 306 F. App'x at 448 (“[N]othing in the removal statute, or any other legal provision, requires that a defendant be served with the complaint before filing a notice of removal.”). This Notice of Removal is being filed within 30 days of the Susquehanna Defendants’ receipt of the Complaint; thus, this removal is timely filed under 28 U.S.C. § 1446(b). *See also id.* § 1446(b)(2)(C) (“if defendants are served at different times,” “any earlier-served defendant may consent to the removal” by a later-served defendant).

37. Venue is proper in this Court pursuant to 28 U.S.C. §§ 81(a) and 1446(a), because the United States District Court for the Northern District of Alabama is the federal judicial district court embracing the Circuit Court for Franklin County, Alabama, where the Complaint was originally filed.

38. No previous application has been made for the relief requested in this Notice.

39. Consistent with 28 U.S.C. § 1446(d), the Defendants will promptly file a copy of this Notice of Removal with the Circuit Court for Franklin County, Alabama and will serve a copy of the same upon the other parties in this action. The Notice of Filing of Notice of Removal to be filed with the Circuit Court for Franklin County, Alabama is attached as Exhibit D.

* * *

WHEREFORE, the Defendants remove this action, now pending in the Circuit Court for Franklin County, Alabama, consistent with 28 U.S.C. §§ 1331, 1441, and 1442(a)(2), and respectfully request that the Circuit Court of Franklin County, Alabama proceed no further with

respect to the removed action. If any question arises as to the propriety of the removal of this action, the Defendants respectfully request the opportunity to present a brief and oral argument in support of their position that this case is removable.

April 29, 2026

/s/ J. Mark White

J. Mark White

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