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INTRODUCTION

Robinhood Derivatives, LLC and Robinhood Markets, Inc. (together, “Robinhood”) oppose Plaintiff’s motion for a preliminary injunction against KalshiEx LLC and Kalshi Inc. (“Kalshi”) because Robinhood would likely suffer substantial and irreparable harm to its federally authorized event contract business if this Court were to enjoin Kalshi from offering sports-related event contracts on Indian lands.

Robinhood offers its customers the ability to trade event contracts on Kalshi’s exchange. The Commodity Exchange Act (“CEA”) provides that event contract trading is within the “exclusive jurisdiction” of the Commodity Futures Trading Commission (“CFTC”). 7 U.S.C. § 2(a)(1)(A). Under the CFTC’s comprehensive federal regulatory scheme for derivatives, Kalshi is a CFTC-registered designated contract market (“DCM”) authorized to operate an exchange for event-contract trading, while Robinhood is a CFTC-registered futures commission merchant (“FCM”) authorized to solicit and accept customer event contract orders and to intermediate and route those orders for execution through Kalshi’s exchange. An injunction against Kalshi would disrupt Robinhood’s business, which uses Kalshi’s exchange to facilitate customer event contract orders, and would undermine this federal regulatory scheme.

Robinhood submits this Opposition to explain its own, direct interest in the outcome of Plaintiff’s Motion for Preliminary Injunction (the “Motion” or “Mot.”). Plaintiff’s Motion should be denied for the reasons set forth herein and in Kalshi’s opposition (the “Kalshi Opp.”), which Robinhood joins.

LEGAL STANDARD

To obtain a preliminary injunction, Plaintiff must demonstrate that it is “‘likely to succeed on the merits, that [it] is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in [its] favor, and that an injunction is in the public interest.’” *A.C. ex rel. M.C. v. Metro. Sch. Dist. of Martinsville*, 75 F.4th 760, 766-67 (7th Cir. 2023) (quoting *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008)). In assessing the balance of the equities, courts must “‘balance the competing claims of injury’ and ‘consider the effect on each party of the

granting or withholding of the requested relief.” *Id.* at 774 (quoting *Winter*, 555 U.S. at 24). A court must also consider the public interest, particularly where an injunction “will have consequences beyond the immediate parties.” *Illinois v. Panhandle E. Pipeline Co.*, 603 F. Supp. 786, 792 (C.D. Ill. 1985). Where a motion for preliminary injunction is directed to fewer than all defendants, any party with standing may oppose the motion. *See Sierra-Lopez v. LaMarca*, No. 17-CV-599-WMC, 2019 WL 8503645, at *1 n.1 (W.D. Wis. June 28, 2019). Here, Robinhood opposes the Motion because Robinhood would likely suffer its own substantial harm from a preliminary injunction entered against Kalshi.

ARGUMENT

Plaintiff based its preliminary injunction motion only on its Indian Gaming Regulatory Act (“IGRA”) and Lanham Act claims. (ECF 38, Mot. at 15-22.) Plaintiff has also clarified in its opposition to Defendants’ motions to dismiss that it “only brings one claim, for civil RICO, against Robinhood.” (ECF 45, at 1 n.1.) Because Plaintiff’s only claim against Robinhood is not at issue on Plaintiff’s Motion, Robinhood does not address Plaintiff’s arguments on likelihood of success on the merits.¹

I. PLAINTIFF HAS NOT SHOWN IRREPARABLE HARM.

Plaintiff cannot establish irreparable harm. While Plaintiff asserts that an infringement on its tribal sovereignty constitutes irreparable harm, that assertion fails here because no tribal sovereignty interest is at stake. Indian tribes have no sovereign powers over non-Indians such as Robinhood and Kalshi, except in narrow circumstances not present here. *See Montana v. United States*, 450 U.S. 544, 565 (1981) (“[T]he inherent sovereign powers of an Indian tribe do not extend to the activities of nonmembers of the tribe.”); *Stifel, Nicolaus & Co. v. Lac du Flambeau Band of Lake Superior Chippewa Indians*, 807 F.3d 184, 207-08 (7th Cir. 2015) (rejecting tribal jurisdiction over non-Indian financial institution whose conduct occurred off-reservation); *see also*

¹ Similarly, Robinhood does not separately respond to Plaintiff’s Proposed Findings of Fact, which concern only Kalshi’s conduct. Robinhood incorporates Kalshi’s Response to Plaintiff’s Proposed Findings of Fact by reference.

Kalshi Opp. at 35. The cases Plaintiff cites in its Motion are inapposite because they deal with intrusions on tribal sovereignty by states or their local subdivisions. *See, e.g., Ute Indian Tribe of the Uintah & Ouray Rsrv. v. Utah*, 790 F.3d 1000 (10th Cir. 2015) (suit against Utah and local governments); *Tohono O’odham Nation v. Schwartz*, 837 F. Supp. 1024 (D. Ariz. 1993) (suit seeking to enjoin Arizona state court proceedings). Because Robinhood and Kalshi are private entities (whose conduct both occurs off of tribal lands and is authorized by a federal regulatory scheme), there is no state intrusion on tribal sovereignty and no sovereign interest is implicated.

The other harms alleged in Plaintiff’s Motion are economic (and any causal link to Defendants’ conduct is highly speculative, at best). These alleged harms, such as harm to Plaintiff’s “market position” and loss of “gaming revenue,” *see* ECF 38, Mot. at 53, are remediable by money damages, *see Signode Corp. v. Weld-Loc Sys., Inc.*, 700 F. 2d. 1108, 1111 (7th Cir. 1983) (“As a general rule, a defendant's ability to compensate plaintiff in money damages precludes issuance of a preliminary injunction.”) (citations and quotations omitted). Because “[a]n injury compensable in money is not ‘irreparable,’” Plaintiff has failed to establish that it will suffer irreparable harm absent a preliminary injunction. *Classic Components Supply, Inc. v. Mitsubishi Elec. Am., Inc.*, 841 F.2d 163, 164-65 (7th Cir. 1988) (citation omitted).

II. THE BALANCE OF THE EQUITIES WEIGHS AGAINST AN INJUNCTION, INCLUDING BECAUSE OF THE SUBSTANTIAL HARM TO ROBINHOOD.

The balance of the equities weighs strongly against a preliminary injunction. A preliminary injunction “prohibiting Kalshi from offering sports gambling contracts on [the Nation’s] Indian lands,” ECF 38, Mot. at 56, would cause substantial harm to both Kalshi and Robinhood. First, if such an injunction issued, Kalshi would likely need to halt offering sports-related event contracts on its exchange nationwide for months while it determined whether it could develop a geofencing solution. Kalshi Opp. at 37. Second, once that is resolved, Kalshi may nevertheless have difficulty offering sports-related event contracts in parts of Wisconsin outside of Plaintiff’s lands, since geofencing around small parcels of Indian land may not be “feasible.” *Id.*

Both scenarios would directly harm Robinhood. As an FCM, Robinhood cannot facilitate customer orders for event contracts without access to a DCM, and Kalshi is one of only two DCMs with which Robinhood has a relationship for sports-related event contract trading. Decl. of Adam Hickerson (“Hickerson Decl.”) ¶ 7. Without access to Kalshi’s DCM while it halted offering sports-related event contracts nationwide, Robinhood would be required to terminate users’ orders, liquidate positions and indefinitely pause trading through Kalshi’s DCM. *Id.* This loss of access would cause severe disruption to Robinhood’s business, including loss of both customers and goodwill. *Id.*; see *Life Spine, Inc. v. Aegis Spine, Inc.*, 8 F.4th 531, 546 (7th Cir. 2021) (loss of “goodwill and reputation” constitutes irreparable injury). The same would be true specifically for customers in parts of Wisconsin near Indian lands, should Kalshi be unable to geofence around those lands with precision.

Without access to Kalshi’s DCM, harm to Robinhood would be especially severe because of the volume of Robinhood customers’ sports-related events contracts trading. Hickerson Decl. ¶ 8. In Wisconsin, Robinhood has more than 10,000 customers who have traded over 100 million sports-related event contracts, and most of that volume comes from orders placed on Kalshi’s exchange. *Id.* ¶ 9. The nationwide figures are even larger. *Id.* The impact would also go beyond sports-related event contracts, as Robinhood’s sports-related event contracts customers also frequently trade other products, such as stocks, options and crypto.² *Id.* ¶ 10. If the Court granted Plaintiff’s preliminary injunction, Robinhood would lose direct event contract trading revenue and the Robinhood companies would risk losing the goodwill of those customers and associated revenue across other products. *Id.*

It is also not currently possible for Robinhood to restrict trading on Indian lands simply by “geofencing,” as Plaintiff suggests. See ECF 38, Mot. at 55-56. Robinhood users may reside, place event contracts orders, travel with open contracts and hold contracts to resolution, all in different locations. See Kalshi Opp. at 38-39. Robinhood’s existing technology cannot reliably

² Robinhood customers trade stocks and options through Robinhood Financial LLC and Robinhood Securities, LLC and trade crypto through Robinhood Crypto, LLC.

identify whether a person is on Plaintiff's Indian Lands. Decl. of Rajeev Krithivasan ("Krithivasan Decl.") ¶ 6. Presently, Robinhood can restrict trading only by looking at a customer's home address or approximate location using the customer's IP address. *Id.* ¶ 2. Home addresses are self-reported, and locating individuals by IP address relies on cell tower and other network communications data, which is only accurate within a radius of a few miles at best. *Id.* ¶¶ 3-4. IP address location is unreliable for geolocating individuals on some Indian lands, given some of their relatively small size, irregular borders and proximity to other towns not on Indian lands. For example, Ho-Chunk Nation operates casinos on Indian lands in six cities across Wisconsin. ECF 40 (Greendeer Decl.) ¶ 9. The Nation's casino in Madison is located right off an interstate highway (I-90). Ryan Decl. Ex. 1, Ho-Chunk Madison Gaming Google Map. As a result, Robinhood cannot currently use IP location to block customers on many Indian lands without forfeiting customers in or passing through surrounding areas. Krithivasan Decl. ¶¶ 6-7. Robinhood does not currently have the capability to geofence using more precise GPS technology tied to an individual user's device. *Id.* ¶ 8. Developing such capability (i) would likely take months to implement, at significant cost and (ii) would force Robinhood to start requiring users to affirmatively consent to share their location data. *Id.*

III. THE PUBLIC INTEREST DISFAVORS AN INJUNCTION

Granting an injunction would also be contrary to the public interest because it risks dismantling the comprehensive federal regulatory regime for derivatives trading under which Kalshi and Robinhood lawfully operate. *See Designs in Med., Inc. v. Xomed, Inc.*, 522 F. Supp. 1054, 1059 (E.D. Wis. 1981) ("The public interest is represented by the statute itself." (internal citation omitted)). Congress spoke clearly and unequivocally when it declared that the CFTC "shall have exclusive jurisdiction" over commodity futures and swaps trading on CFTC-designated exchanges. 7 U.S.C. § 2(a)(1)(A). IGRA applies to Class III gaming activities only when they occur "on Indian lands," 25 U.S.C. § 2710(d)(1), and Robinhood and Kalshi (non-tribal members) engage in no conduct on Indian lands. When Congress considered Internet-based gambling across

state or tribal borders, Congress specifically exempted transactions on CFTC-designated exchanges. 31 U.S.C. § 5362(1)(E)(ii).

Consequently, as another federal court ruled in denying a virtually identical preliminary injunction motion, granting an injunction here would conflict with how Congress intended for the CEA, IGRA and UIGEA to interact. *See Blue Lake Rancheria v. Kalshi Inc.*, No. 25-cv-06162-JSC, 2025 WL 3141202, at *6 (N.D. Cal. Nov. 10, 2025) (holding that “UIGEA should be interpreted to apply to cover interstate ... gaming transactions via the internet, whereas IGRA ... cover[s] Class III gaming activities that take place exclusively within Tribal lands”). This Court should not upend the federal regulatory regime established under the CEA, as recognized by the UIGEA carve-out, by issuing a preliminary injunction on Plaintiffs’ novel and meritless IGRA theory. *See Kalshi Opp.* at 42.

CONCLUSION

For the reasons set forth herein and in the Kalshi Opposition, Robinhood respectfully requests that this Court deny Plaintiff’s Motion.

Dated this 20th day of January, 2026.

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