

Commonwealth v. Kalshiex LLC, Civil Action No. 2584cv02525-BLS-1.

Following my decision on January 20, 2026 that the Commonwealth was entitled to a preliminary injunction that prohibited Kalshiex ("Kalshi") from offering sports wagering in Massachusetts absent a license under G.L. c. 23N, I held a hearing on January 23, 2026 concerning the details of a preliminary injunction. At that hearing I stated that I would consider the parties' positions, submitted in writing and orally at the hearing, then provide my preliminary views on the contours of a preliminary injunction, so that the parties could explore whether the terms of a preliminary injunction might be negotiated between the parties (reserving all rights). I stated that I would separately consider Kalshi's emergency motion to stay any preliminary injunction, after further briefing from the parties. This order provides my preliminary views with respect to the preliminary injunction, so that the parties may confer. In the absence of agreement, each side may submit a proposed order on or before Wednesday, February 4, 2026, the same day Kalshi will submit its reply memorandum with respect to the motion to stay.

I intend to issue a preliminary injunction that focuses on my essential ruling: that Kalshi may not offer sports-related "contracts" to persons in Massachusetts, directly or indirectly. This concept is captured in paragraphs 1 and 2 of the Commonwealth's proposed order, except for the reference to "fees" with respect to "pre-existing contracts" discussed below. I also agree that, given Kalshi's nationwide business and that this injunction unquestionably would be implemented through technological controls, an affirmative requirement like paragraph 7 is necessary to ensure implementation. To effectuate the preliminary injunction, proposed paragraph 7 (a) through (c) is appropriate, although I intend to provide thirty (30) days after entry for implementation. As to notice to Massachusetts users (proposed para. 8), once the prohibition is implemented, a notice to Massachusetts users need only be provided in response to a user's attempt to place a bet/contract. A reasonable compliance mechanism (para. 9) is wise, though I would make it due in thirty (30) days to coincide with the implementation time period, and paragraph 10 likewise is fair (although already required given the pending litigation).

Pre-injunction contracts. Because the preliminary injunction reflects a new restriction on conduct, I do not believe it should affect contracts entered prior to my preliminary injunction order, with one exception. Namely, increasing the amount of an existing bet/contract is the equivalent of placing a new bet/contract and should not be permitted. In contrast, selling an existing position (rather than settling the contract in accordance with its terms) is one of the options that a Massachusetts buyer had at the time of purchase, and to interfere with that option goes beyond the prospective order that I view as

appropriate. Likewise, Kalshi receiving fees when an existing contract is settled or transferred qualifies for the same characterization.

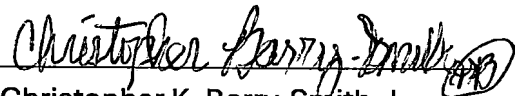
Marketing and Notice. Kalshi operates nationally. Even if it were feasible to distinguish marketing campaigns directed specifically to Massachusetts, more important than marketing is the requirement that persons in Massachusetts be foreclosed from purchasing bets/contracts. As stated above, if a Massachusetts buyer seeks to make a transaction, they will receive notice that a court order prohibits the bet/contract. So long as those provisions are in force, the potentially thorny issue of marketing directed into Massachusetts need not be part of the preliminary injunction.

Account creation. In this lawsuit, the Commonwealth has sought to enjoin only those bets/contracts that constitute sports wagering. Because Kalshi offers bets/contracts that do not relate to sporting events, which are not impacted by this lawsuit, and because it is unclear how one would determine whether an account is "for the purpose of trading sports-wagering contracts," a prohibition on account creation, funding, maintenance or use, should not be part of any preliminary injunction.

The parties may continue to confer concerning the terms of a preliminary injunction. Should they reach an agreed order, they may submit a proposed order (reserving all rights) on or before February 4, 2026. In the absence of agreement, both sides may submit a proposed order for consideration. After receipt, I will issue the preliminary injunction or schedule a prompt hearing. I anticipate deciding Kalshi's emergency request for a stay pending appeal on the same time line.

So ordered.

January 27, 2026


Christopher K. Barry-Smith, J.