



Tennessee

Sports Wagering Council

Andrew Jackson Building, 15th Floor
500 Deaderick Street
Nashville, Tennessee 37243

October 9, 2026

Mike Ybarra
Chief Executive Officer
SidePrize LLC d/b/a PrizePicks
1055 Howell Mill Rd. NW, Suite 1400
Atlanta, Georgia 30318
Via Email to mike@prizepicks.com and Federal Express Standard Overnight.

RE: Demand to Cease Offering Sports Event Contracts to Persons Located in Tennessee

Dear Mr. Ybarra:

The Tennessee Sports Wagering Council (the “SWC”) regulates sports wagering and fantasy sports in Tennessee.¹ As you know, SidePrize LLC d/b/a PrizePicks holds a Tennessee fantasy sports operator license, but neither it nor any affiliate holds a sports wagering license.² PrizePicks recently asked for the SWC’s guidance in light of the Sixth Circuit’s decision in *KalshiEX LLC v. Orgel*. This letter provides that guidance.

The SWC understands that PrizePicks, through Performance Predictions II, LLC d/b/a PrizePicks Predict, offers persons located in Tennessee event contracts on the outcomes of sporting events (“Team Picks,” which are referred to here as “Sports Event Contracts”). It offers them in the same app it uses for its licensed fantasy sports contests.

Sports Event Contracts are “wagers” under the Tennessee Sports Gaming Act because a customer risks money on the unknown outcome of a sporting event³, and sports wagering may be offered in Tennessee only under a license issued by the SWC.⁴ PrizePicks’ fantasy sports license does not authorize it to offer such wagers. The Fantasy Sports Act excludes any contest whose outcome is based on “the score, point spread, or any performance or performances of any single

¹ Tenn. Code Ann. §§ 4-49-106(a), 4-49-204(a).

² Tenn. Code Ann. § 4-49-203.

³ Tenn. Code Ann. § 4-49-102(14), (33), (39).

⁴ Tenn. Code Ann. §§ 4-49-104(a), 4-49-117.

actual team or combination of teams.”⁵ That exclusion also applies to entries that combine fantasy picks with game-outcome picks. On September 25, 2026, the Sixth Circuit held that Sports Event Contracts do not satisfy the statutory definition of a swap so as to fall within the scope of the Commodity Futures Trading Commission’s exclusive jurisdiction and, even if those contracts are swaps, federal commodities law does not preempt Tennessee’s gambling laws as applied to Sports Event Contracts.⁶

Accordingly, the SWC demands that PrizePicks cease offering Sports Event Contracts, including combined fantasy and game-outcome entries, to customers in Tennessee immediately. If PrizePicks does not comply, the SWC will pursue the remedies available to it. These include fines of \$10,000 to \$25,000 per offense for unlawfully accepting wagers without a license, civil penalties, and injunctive relief through the Office of the Attorney General.⁷ Continuing to offer Sports Event Contracts will also put PrizePicks’ fantasy sports operator license at risk of revocation.⁸ Finally, unlicensed sports wagering is not exempt from Tennessee’s criminal gambling statutes, and PrizePicks’ failure to comply with the SWC’s demand will also result in the referral of PrizePicks’ illegal gambling operation to law enforcement for further investigation.⁹

The SWC appreciates PrizePicks’ outreach and looks forward to its prompt compliance. Please direct any questions to Nathan Shaver, Director of Fantasy Sports, at 615-981-5039 or Nathan.S.Shaver@tn.gov.

Sincerely,

Nathan Shaver

Nathan S. Shaver
Director of Fantasy Sports

CC: Mary Beth Thomas, Executive Director, Tennessee Sports Wagering Council

Stephanie S. Maxwell, Deputy Director and General Counsel, Tennessee Sports Wagering Council

Todd M. Grossman (todd.grossman@prizepicks.com)
Director of Gaming Regulatory Compliance, PrizePicks

⁵ Tenn. Code Ann. § 4-49-202(6)(B)(iii).

⁶ *KalshiEX LLC v. Schuler, KalshiEX LLC v. Orgel*, Nos. 26-3196/5235, slip op. at 3 (6th Cir. Sept. 25, 2026).

⁷ Tenn. Code Ann. §§ 4-49-126, 4-49-127(b)(2), 4-49-129.

⁸ Tenn. Code Ann. §§ 4-49-204(a)(6), (a)(8), 4-49-208, 4-49-209; Tenn. Comp. R. & Regs. 1350-05-.05(1).

⁹ Tenn. Code Ann. §§ 39-17-501(2), 39-17-503, 39-17-504.