IN THE CIRCUIT COURT FOR
BALTIMORE CITY

CITY OF BALTIMORE, *ex rel.* Ebony Thompson, *Plaintiff*, v. KALSHIEX LLC, KALSHI INC., ROBINHOOD MARKETS, INC., ROBINHOOD DERIVATIVES LLC, WEBULL CORPORATION, WEBULL FINANCIAL LLC, and COINBASE FINANCIAL MARKETS, INC., *Defendants*.	Case No. ________________ **COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff, the City of Baltimore ("Baltimore," or "the City"), by and through its City Solicitor, Ebony Thompson of the Baltimore City Law Department ("Plaintiff"), brings this suit against Defendants Kalshi Inc., KalshiEX LLC, Robinhood Markets, Inc., Robinhood Derivatives LLC, Webull Corporation, Webull Financial LLC, and Coinbase Financial Markets, Inc. ("Defendants") and in support thereof states as follows:

INTRODUCTION

1. Following the Supreme Court's ruling in *Murphy v. Nat'l Collegiate Athletic Ass'n¸* 584 U.S. 453, 458, 486 (2018), which paved the way for States to regulate sports gambling on their own terms, the prevalence of online sports gambling has increased exponentially. A 2025 poll found that 22% of Americans and almost half of men ages 18 to 49 have at least one active

online sports-betting account.[1]

2. Seeking to capture a piece of this growing market, Defendants recently entered the online sports gambling marketplace. Defendants, through their websites and apps, have solicited wagers from Baltimoreans on a wide range of sporting events. Defendants have offered wagers on the outcome of those events, as well as in-game wagering, proposition bets, and parlays.

3. Defendants offer sports wagering through the Kalshi platform. While Defendants call the Kalshi platform a “prediction market,” the platform plainly facilitates “sports wagering” as defined under Maryland law. Md. Code Ann., State Gov't § 9-1E-01(j).

4. Sports wagering on so-called “prediction markets,” like the Kalshi platform offered by Defendants, is accounting for an increasingly large share of the online sports gambling market. For example, it was recently estimated that “prediction markets” accounted for around 27% of all legal US sports-betting volume during the World Cup.[2]

5. While Maryland permits online sports wagering, it does so pursuant to a detailed licensing, oversight, and taxation regime. For example, under Maryland law, online gambling is restricted to those aged twenty-one and older.[3]

6. Defendants operate in complete disregard of Maryland’s gambling regime; permitting, for example, eighteen-year-olds to bet on sports on the Kalshi platform.[4]

7. Operating in disregard of Maryland’s gambling regime, Defendants provide

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[1] Stephanie Pappas, *The New Prediction-Driven Gambling Boom*, Monitor on Psych. (July 1, 2026), https://www.apa.org/monitor/2026/07-08/prediction-driven-gambling-mobile-betting-apps.

[2] Nathaniel Popper & Chloe Cresswell, *Prediction Markets Swell to 27% of Sports Bets During World Cup*, Bloomberg (July 19, 2026, 8:30 AM CDT), https://www.bloomberg.com/news/articles/2026-07-19/prediction-markets-swell-to-27-of-sports-bets-during-world-cup.

[3] Md. Code Regs. 36.10.13.44 (“Sports wagering by an individual younger than 21 years old is prohibited.”).

[4] Kalshi, *Frequently Asked Questions*, https://kalshi.com/faq (last visited July 27, 2026).

none of the increased tax revenue that licensed gambling provides. Nor do they generate local jobs or business revenue, unlike Baltimore's physical casino.

8. Defendants, rather, are a drain on the City of Baltimore. The vast majority of gamblers on the Kalshi platform lose money, largely because they are competing against sophisticated, well-funded, professional bettors that have unique access to betting models and data.[5] Indeed, Kalshi recently admitted that nearly three times as many people lose money as make money on its platform.[6]

9. Defendants have deceptively represented that their sports wagers are lawful in Baltimore and have unfairly disregarded Maryland's gambling laws to the detriment of thousands of Baltimore consumers. For these reasons, and for those set forth below, Defendants have violated Baltimore's Consumer Protection Ordinance.

JURISDICTION

10. This Court has personal jurisdiction over Defendants because they purposefully directed their activities toward Maryland and Baltimore by advertising and offering sports-wagering products to Maryland residents, accepting real-money transactions from Maryland residents, and conducting business within Maryland through their prediction-market platforms. Defendants have intentionally made their platforms available to Baltimore consumers and have derived revenue from transactions involving Baltimore residents.

11. Defendants have transacted business within the State and caused injury within the State arising from the conduct alleged herein, rendering them subject to the specific personal

[5] Brad Lipton & Toyosi Odusola, *Since Kalshi's Launch, Ordinary Users Have Lost Half a Billion Dollars*, Roosevelt Inst. (July 7, 2026), https://rooseveltinstitute.org/blog/since-kalshis-launch-ordinary-users-have-lost-half-a-billion-dollars/.

[6] *Id*.

jurisdiction of Maryland courts pursuant to Md. Code Ann., Cts. & Jud. Proc. § 6-103. ("A court may exercise personal jurisdiction over a person, who directly or by an agent: (1) Transacts any business or performs any character of work or service in the State; (2) Contracts to supply goods, food, services, or manufactured products in the State; (3) Causes tortious injury in the State by an act or omission in the State[.]").

12. This Court's exercise of personal jurisdiction over Defendants is consistent with due process, as Defendants purposefully directed their gambling platforms into the State of Maryland and the City of Baltimore and otherwise availed themselves of the benefits and protections of the laws of the State of Maryland and the City of Baltimore.

13. This Court has subject matter jurisdiction because the claims at issue arise under a City of Baltimore ordinance. Md. Code Ann., Cts. & Jud. Proc. § 1-501 ("The circuit courts are the highest common-law and equity courts of record exercising original jurisdiction within the State. Each has full common-law and equity powers and jurisdiction in all civil . . . cases within its county, and all the additional powers and jurisdiction conferred by the Constitution and by law[.]"); Baltimore City Code Art. 2, § 4-5(d) ("In addition to any other enforcement action authorized by law, the City Solicitor, on behalf of the Mayor and City Council, may initiate a legal proceeding for injunctive relief and for the imposition and collection of civil penalties in a court of competent jurisdiction for a violation of this subtitle.").

VENUE

14. Venue is proper in this Court under Md. Code Ann., Cts. & Jud. Proc. § 6-201, because a substantial part of the acts or omissions giving rise to the claims occurred in the City of Baltimore. Md. Code Ann., Cts. & Jud. Proc. § 6-201 ("[A] civil action shall be brought in a county where the defendant . . . carries on a regular business[.]").

PARTIES

15. Plaintiff is the City of Baltimore, by Ebony Thompson, the City Solicitor of the Baltimore City Law Department, who has the statutory authority to enforce laws for the protection of the public. Baltimore City Charter art. 7, §§ 22–24,

16. Defendant KalshiEX LLC (collectively with Kalshi Inc. referred to as "Kalshi") is a Delaware limited liability company with its principal place of business in New York, New York. KalshiEX LLC is a wholly owned subsidiary of Kalshi Inc. In concert with Kalshi Inc., KalshiEX LLC has advertised and operated an online sports-wagering operation in the State of Maryland without the licensing approval of the Maryland Lottery and Gaming Control Agency ("MLGCA"). Specifically, Kalshi has operated a so-called "prediction market" through which residents of Baltimore can engage in unlicensed sports wagering. This market is an online trading platform through which users may wager on the likelihood of a sports-related outcome. Kalshi conducts business across the United States, including within Baltimore, where Kalshi makes sports wagering available to residents, markets sports wagering to residents, and accepts payments through widely used financial systems accessible by Baltimore consumers. KalshiEX LLC has earned revenue, directly or as a transferee, from the fees paid by Baltimore users betting on the Kalshi platform.

17. Defendant Kalshi Inc. is a Delaware corporation that maintains its principal place of business in New York, New York. Kalshi Inc. is the sole owner of KalshiEX LLC, and has acted in concert with KalshiEX LLC to advertise and operate the Kalshi sports wagering platform in Baltimore. Kalshi Inc. has earned revenue, directly or as a transferee, from the fees paid by Baltimore users betting on the Kalshi platform.

18. Defendant Robinhood Markets, Inc. is a Delaware corporation headquartered in Menlo Park, California.

19. Defendant Robinhood Derivatives LLC is a Delaware limited liability company headquartered in Menlo Park, California. It is a wholly owned subsidiary of Robinhood Markets, Inc. It is a futures commission merchant and provides options on futures trading.

20. Robinhood Markets, Inc. and Robinhood Derivatives LLC (together, "Robinhood") partnered with Kalshi to operate—on the Robinhood investment platform—a prediction market hub, allowing Baltimore residents to engage in unlicensed sports wagering. Robinhood conducts business across the United States, including within Baltimore, where Robinhood has made sports wagering available to residents, has marketed sports wagering to potential users, and has accepted payments through widely used financial systems accessible by Baltimore consumers.

21. Defendant Webull Corporation is a Cayman Islands corporation headquartered in St. Petersburg, Florida.

22. Defendant Webull Financial LLC is a Delaware limited liability company headquartered in St. Petersburg, Florida.

23. Webull Corporation and Webull Financial LLC (together, "Webull") partnered with Kalshi to operate—on the Webull investment platform—a prediction market hub, allowing Baltimore residents to engage in unlicensed sports wagering. Webull conducts business across the United States, including within Baltimore, where Webull has made sports wagering available to residents, has marketed sports wagering to potential users, and has accepted payments through widely used financial systems accessible by Baltimore consumers.

24. Defendant Coinbase Financial Markets, Inc. ("Coinbase") is a Delaware corporation headquartered in New York, New York. It provides the Coinbase electronic trading

platform. Coinbase partnered with Kalshi to operate—on the Coinbase trading platform—a prediction market hub, allowing Baltimore residents to engage in unlicensed sports wagering. Coinbase conducts business across the United States, including within Baltimore, where Coinbase has made sports wagering available to residents, has marketed its platform to potential users, and has accepted payments through widely used financial systems accessible by Baltimore consumers.

FACTUAL ALLEGATIONS

I. THE LEGISLATIVE AND REGULATORY FRAMEWORK FOR LEGAL SPORTS WAGERING IN THE STATE OF MARYLAND.

25. In 2018, the United States Supreme Court held that the Professional and Amateur Sports Protection Act was "incompatible with the system of 'dual sovereignty' embodied in the Constitution," paving the way for states to authorize sports wagering on their own terms. *Murphy v. Nat'l Collegiate Athletic Ass'n*¸ 584 U.S. 453, 458, 486 (2018).

26. Following that decision, Maryland voters approved sports wagering through a statewide referendum, and the Maryland General Assembly subsequently enacted a comprehensive statutory and regulatory framework governing sports wagering within the State.[7]

27. Maryland did not legalize sports wagering without restrictions. Instead, it established a detailed licensing, oversight, consumer-protection, and taxation regime administered by the Maryland Lottery and Gaming Control Commission ("MLGCA") and the Maryland Sports Wagering Application Review Commission.

28. Under Maryland law, a gaming activity is unlawful unless expressly authorized by Maryland law. The MLGCA is charged with determining whether gaming activity is operating legally within the State.

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[7] Ryan Dickstein, *Timeline: Maryland's Road to Legalized Online Sports Betting*, WMAR-2 News (Nov. 22, 2022, updated Nov. 23, 2022), https://www.wmar2news.com/timelineonlinesportsbetting.

29. Maryland law defines "sports wagering" broadly as "the business of accepting wagers on any sporting event by any system or method of wagering, including single-game bets, teaser bets, parlays, over-under bets, moneyline bets, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets." Md. Code Ann., State Gov't § 9-1E-01(j).

30. Maryland law defines "exchange wagering," as a wager in which one bettor wagers with or against another bettor through a licensed sports wagering operator. COMAR 36.10.01.02B(24). The Maryland General Assembly therefore anticipated and expressly regulated wagering formats in which participants take opposite sides of a sporting-event outcome.

31. Sports wagering may be offered in Maryland only by entities that hold sports-wagering licenses issued by the Commission. Md. Code Ann., State Gov't § 9-1E-03(b). The Commission maintains and publishes a list of licensed sports wagering operators authorized to conduct business in Maryland.

32. The Commission is responsible for ensuring that sports wagering is conducted legally, honestly, and in accordance with Maryland law, and for accounting for wagering proceeds and tax revenues generated by licensed operators.

A. Licensing Requirements for Sports Wagering in Maryland.

33. To obtain and maintain authorization to conduct sports wagering in Maryland, operators must satisfy extensive licensing, suitability, integrity, auditing, and compliance requirements imposed by statute and regulation.

34. Licensed Maryland sportsbooks are subject to ongoing regulatory oversight, including internal-control requirements, reporting obligations, audit standards, anti-money-laundering procedures, and disciplinary oversight by the Commission.

35. Maryland also requires licensed sports wagering operators to implement

responsible-gaming measures designed to protect consumers from gambling-related harm.

36. Maryland's sports-wagering framework includes age restrictions, licensing standards, responsible-gaming requirements, and regulatory oversight intended to safeguard Maryland consumers and promote wagering integrity.

B. Maryland Has Determined that Kalshi's Sports-Event Contracts Constitute Sports Wagering.

37. On April 7, 2025, the MLGCA issued a formal cease-and-desist letter directing Kalshi to stop offering in Maryland its contracts concerning the outcome of sporting events.[8]

38. The Commission concluded that Kalshi’s contracts are purchased based upon a prediction that a particular sporting outcome will occur and that the outcome of the sporting event determines whether payment is made to the purchaser. For that reason, the Commission determined that “the purchase of the Contract is indistinguishable from the act of placing a sports wager.”[9]

39. The Commission further determined that Kalshi was conducting sports wagering in Maryland without holding a Maryland sports-wagering license and without authorization under Maryland law.[10]

40. Kalshi responded by filing suit in the United States District Court for the District of Maryland, asserting that its sports-event contracts are regulated exclusively under the Commodity Exchange Act and are not subject to Maryland’s sports-wagering laws.[11]

41. On August 1, 2025, Judge Adam Abelson denied Kalshi's request for preliminary

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[8] Letter from Michael Eaton, Managing Director of Gaming, Md. Lottery & Gaming Control Agency, to KalshiEX LLC (Apr. 7, 2025).

[9] *Id.*

[10] *Id.*

[11] Ian Round, *Judge Lets MD Regulator Enforce Sports Betting Laws Against Prediction Market Kalshi—for Now*, Daily Record (Aug. 12, 2025), https://thedailyrecord.com/2025/08/12/kalshi-maryland-gambling-license-ruling/.

injunctive relief, concluding that Kalshi had failed to demonstrate a likelihood of success on its claim that federal law preempts Maryland's gaming laws. The court held that Maryland's sports-wagering laws and the Commodity Exchange Act operate “in tandem” and observed that Kalshi could lawfully offer sports wagering in Maryland if it obtained the required licenses and complied with Maryland law.[12]

C. Revenues From Authorized Sports Wagering.

42. Baltimore derives substantial public revenue and benefits from locally licensed sports wagering.

43. Maryland has authorized casino gaming only at a limited number of licensed facilities operating under extensive state oversight, including Horseshoe Casino Baltimore in Baltimore City. In addition to being subject to regulatory requirements designed to protect consumers, licensed Maryland and Baltimore gambling facilities provide benefits to Baltimore residents and businesses, including employment opportunities, local vendor revenue, tax payments to the City, and funding for local community programs.

44. For instance, Horseshoe Casino Baltimore has reported contributing more than $1 billion in gaming tax revenues during its first decade of operation, generating tens of millions of dollars annually for Baltimore City, and employing predominantly Baltimore City and Baltimore County residents.[13] This not only also provides additional income tax revenue to the City, the casino also generates tax income from non-gambling activities, like restaurants and events.

45. Maryland Lottery and Gaming reported that regulated gaming revenues support the

[12] *Id.*

[13] Joe Tyrrell, Regional Vice President for Government Relations, Caesars Entertainment, Testimony in Support of S.B. 603 Before the Maryland Senate Budget and Taxation Committee (2024), https://mgaleg.maryland.gov/cmte_testimony/2024/bat/1VfB1Rr3nlwyZzWVcKJy60GfNcOhnVghb.pdf.

local communities and jurisdictions in which casinos are located; small, minority- and women-owned businesses; and the state's Education Trust Fund. These are among the public benefits generated by the state's regulated gaming framework.[14] Defendants' unlicensed sports-wagering activities undermine this regulatory structure and deprive the City of tax revenues generated by lawful sports wagering.

46. Maryland law also provides that winnings from unclaimed sports-wagering prizes become property of the State and must be distributed to the Problem Gambling Fund, which supports problem-gambling education, prevention, and treatment efforts. By operating outside of Maryland's licensing and regulatory framework, Defendants have profited from wagering activity conducted by Maryland consumers without contributing to Maryland's efforts to prevent and address gambling-related harms.[15]

47. Defendants' unlicensed sports-wagering activities undermine this regulatory structure and deprive the City of tax revenues generated by lawful sports wagering. Defendants operate outside the mandatory licensing and taxation framework while offering products to Baltimore residents that function as sports wagers.

II. DEFENDANTS HAVE OFFERED UNLICENSED SPORTS WAGERING IN BALTIMORE THROUGH THEIR PREDICTION MARKET PLATFORMS.

48. Defendants are not licensed sports wagering operators in Maryland.

49. Defendants do not hold sports wagering licenses issued by the Maryland Lottery and Gaming Control Commission ("MLGCA"), nor are they otherwise authorized under Maryland law to offer or conduct sports wagering in Maryland.

[14] Maryland Lottery and Gaming, *Maryland Casinos Generate $148.5 Million in Gaming Revenue During February '26* (Mar. 5, 2026), https://www.mdgaming.com/maryland-casinos-generate-148-5-million-in-gaming-revenue-during-february-26/.

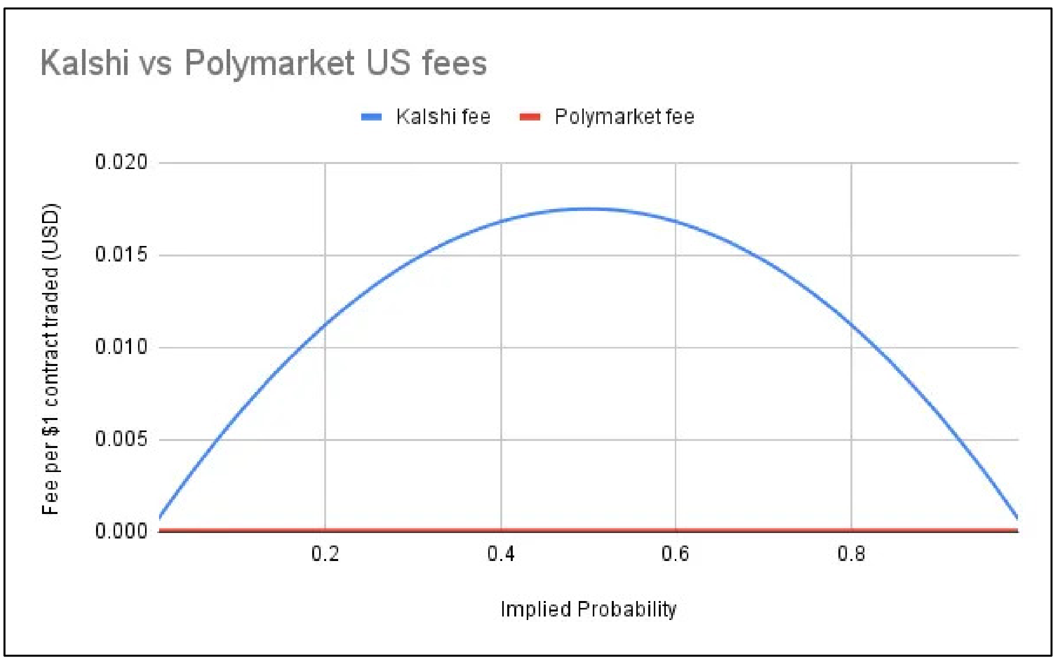
[15] Md. Code Ann., State Gov't § 9-1E-12(c).

50. Despite lacking a Maryland sports wagering license, Defendants have offered, facilitated, and profited from contracts based on the outcomes of sporting events for Baltimore residents and visitors.

A. Defendants Have Offered and Profited from Prediction Market Platforms in Baltimore.

51. Through their websites and mobile applications, Defendants operate what they refer to as "prediction markets," through which they have encouraged, facilitated, and allowed persons in Baltimore to place wagers on the outcomes of sporting events. Defendants refer to those wagers as "event contracts."

52. Kalshi charges a fee tied to the expected earnings on an individual contract.[16] Kalshi's transaction fee is dynamic and variable, and is determined by the odds of a wager.[17]



[16] *Kalshi Trading Fees*, KALSHI, https://kalshi.com/docs/kalshi-fee-schedule.pdf.

[17] *Kalshi Fee Schedule*, KALSHI, https://kalshi.com/docs/kalshi-fee-schedule.pdf.

53. In 2025, 89% of Kalshi's fees came from sports wagering.[18]

54. In February 2025, Webull partnered with Kalshi to enter the predictions market space through a prediction markets hub on the Webull website and mobile applications.[19] This partnership allows Webull users to buy and sell Kalshi's event contracts using the Webull platform. Because those event contracts are sourced by Kalshi, the offerings are practically identical to the ones that Kalshi provides on its own website, including the ability to wager on the outcome of sporting events. Webull and Kalshi each receive a fee whenever an event contract is purchased on Webull's prediction markets hub.

55. Similarly, in March 2025, Robinhood partnered with Kalshi to launch its own prediction markets hub.[20] This hub effectively allows Robinhood users to buy and sell Kalshi event contracts without ever having to leave Robinhood's platform. Because Robinhood's event contracts are sourced by Kalshi, its prediction markets hub is practically identical to the prediction platform that Kalshi offers on its own website, including the ability to wager on the outcome of sporting events. Robinhood and Kalshi each receive a fee whenever an event contract is purchased on the Robinhood prediction markets hub.

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[18] Daniel O'Boyle, *Kalshi Fee Revenue in 2025 was $263.5 Million, With 89% Coming from Sports*, INGAME, https://www.ingame.com/kalshi-fee-revenue-2025.

[19] *See* Hanna Erin Lang, *Investing Platform Webull Launches Event Contracts*, THE WALL STREET JOURNAL (Feb. 12, 2025, 6:31 PM), https://www.wsj.com/livecoverage/cpi-report-today-inflation-stock-market-02-12-2025/card/investing-platform-webull-launches-event-contracts-7a8HLGTFHg0YQxqXsFZe?gaa_at=eafs&gaa_n=AWEtsqeBJEzHRKwZRnN7pYSjdonmcQUnx2RqsHRqkSF86f_OYJzhiSUAnB4L1r2o7js%3D&gaa_ts=69ce8aa3&gaa_sig=rIGGgVqcRFzygp9sTEBZrBaw2wSOMdtaG__H4EP5F3k6D3fCLY4k8OkaDBcNCOZXPQooz-HtvFc0OJtbfOV0KA%3D%3D.

[20] *See* Brady Dale, *Robinhood rolls out prediction markets with sports contracts*, AXIOS (Mar. 17, 2025), https://www.axios.com/2025/03/17/robinhood-prediction-markets-kalshi-sports.

56. In December 2025, Coinbase partnered with Kalshi to launch its own prediction markets hub.[21] This hub effectively allows Coinbase users to buy and sell Kalshi event contracts without ever having to leave Coinbase's platform. Because Coinbase's event contracts are sourced by Kalshi, its prediction markets hub is practically identical to the prediction platform that Kalshi offers on its own website, including the ability to wager on the outcome of sporting events. Coinbase and Kalshi each receive a fee whenever an event contract is purchased on Coinbase prediction markets hub.

B. Defendants' Sports-Event Contracts Are Wagers.

57. "Event contracts" are investment instruments that ensure payment to a contract holder if a particular event happens, and they have existed in the United States since the nineteenth century.[22] These contracts were originally developed by commodity traders as a straightforward way of hedging their investments in raw materials, like timber and grain. By purchasing an event contract for an adverse event, like a flood or fire during the harvest season, commodity traders could offset the losses from that year's poor yield.

58. Defendants, however, have repurposed the event contract to allow consumers to wager on the outcomes of a wide range of real-world and imminent (or already ongoing) events, such as which actor will win an Oscar[23] or which phrase Sean Hannity will say during his next show.[24]

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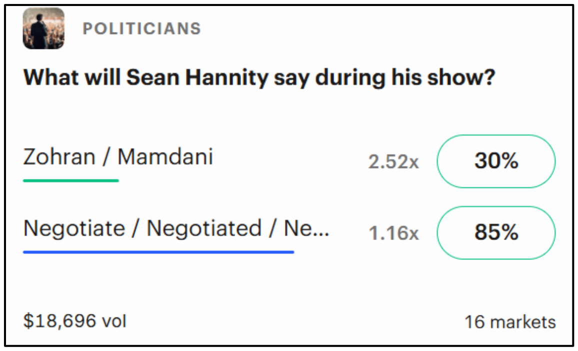
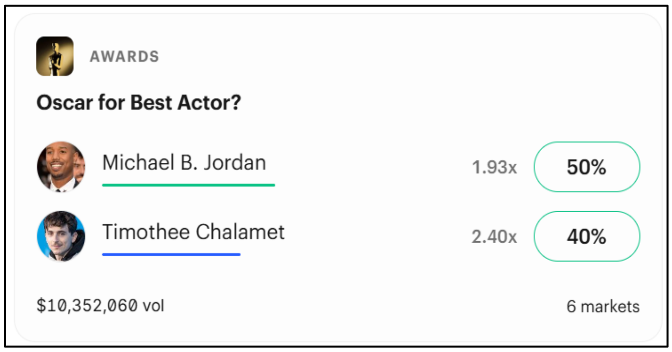
[21] *See* Ian Allison*, Coinbase rolls out stock trading, prediction markets and more in bid to become 'Everything Exchange*,' CoinDesk (Dec. 17, 2025), https://www.coindesk.com/business/2025/12/17/coinbase-rolls-out-stock-trading-prediction-markets-and-more-in-bid-to-become-the-everything-exchange.

[22] Peter Gratton, *Event Contracts: What They Are and How They Are Used*, INVESTOPEDIA (Mar. 18, 2025), https://www.investopedia.com/events-contracts-8601422.

[23] *See Oscar for Best Actor?*, KALSHI, https://kalshi.com/markets/kxoscaracto/oscar-for-best-actor/kxoscaracto-26.

[24] *See What will Sean Hannity say during his show?*, KALSHI, https://kalshi.com/markets/kxmention/what-will-someone-say/kxmention-hann26mar11.





59. Defendants' platforms offer recurring daily contests, such as what will top Spotify's "Weekly Top Songs USA" list tomorrow,[25] and what the highest temperature will be in New York City today.[26]

60. Event contracts are structured as binary options: bettors buy "Yes" or "No" positions on whether an event will occur ("Yes") or will not occur ("No"). This probability is expressed as a percentage, ranging from 0% (certain to not happen) to 100% (certain to happen). This percentage corresponds to a monetary value, as the combined investment of "Yes" and "No" users must equal $1.00.[27]

[25] *See Top Song on Weekly Top Songs USA on Mar 12, 2026?*, KALSHI, https://kalshi.com/markets/kxspotifyw/weekly-us-spotify-chart/kxspotifyw-26mar12 (last visited Apr. 2, 2026).

[26] *See Highest temperature in NYC on Mar 11, 2026?*, KALSHI, https://kalshi.com/markets/kxhighny/highest-temperature-in-nyc/kxhighny-26mar11 (last visited Apr. 2, 2026).

[27] *How are prices determined?*, KALSHI, https://help.kalshi.com/en/articles/13823836-how-are-prices-determined.

61. As more people purchase the “Yes” option in an event contract, the perceived likelihood of that outcome increases and the “Yes” contract price also increases. Conversely, if more people purchase the “No” option, the contract price of the “No” contracts would increase.

62. Defendants’ models reflect less risk (and less profit) to the contract holder for outcomes perceived to be more likely, and more risk (but more profit) to contract holders who thought the outcome was less likely to occur.

63. All Defendants’ models operate in the same manner.

64. In January 2025, Kalshi began to offer sports wagering contracts. In a short period of time, the vast majority of events “invested” in on Kalshi became various sporting event outcomes—ranging from the final result of the game, including the final spread of points and the actions of individual players during the game.

65. From January to June of 2025—approximately the first five months Kalshi offered sports-event contracts—bettors wagered more than $1 billion on 3.4 million sports wagers.

66. Sports-event wagers comprised approximately 70% of Kalshi’s trading volume between February 25, 2025, and May 17, 2025. Kalshi made more from sports wagers than licensed sports wagering platforms DraftKings or FanDuel over the course of the same February through May timeframe.

67. By July 2025, Kalshi announced that it “crossed $2 billion in sports trading volume” in the preceding 6 months, since it launched its first sports market.[28] For calendar year

[28] *See* Kalshi Instagram post (July 16, 2025), *available at:* https://www.instagram.com/reel/DMLqEM6yk_q/?utm_source=ig_web_copy_link&igsh=MzRlODBiNWFlZA==.

2025, Kalshi had $22.88 billion in volume, 89% of which was sports wagering. Kalshi made $263.5 million in fee revenue in 2025, with $234.6 million of that coming from sports wagering.[29]

68. Robinhood, Webull, and Coinbase—through their partnerships with Kalshi—have also facilitated significant sports wagering on their prediction market hubs.

69. During its fourth quarter earnings call, Robinhood announced that users traded over 12 billion contracts in 2025, which contributed to a business run rate above $300 million.[30]

70. Webull announced that 152 million contracts were traded on its platform during the fourth quarter of 2025.[31]

71. Defendants employ a variety of classic sports-betting devices, including moneylines, spreads, point totals, parlays, and prop bets. These offerings do not exist independent of the sports betting industry and relate to nothing except ways to gamble on sports.

72. As exemplified by Kalshi's website,[32] Defendants each employ sports-betting devices relating to the outcome of a sporting event: moneylines, spreads, and totals.

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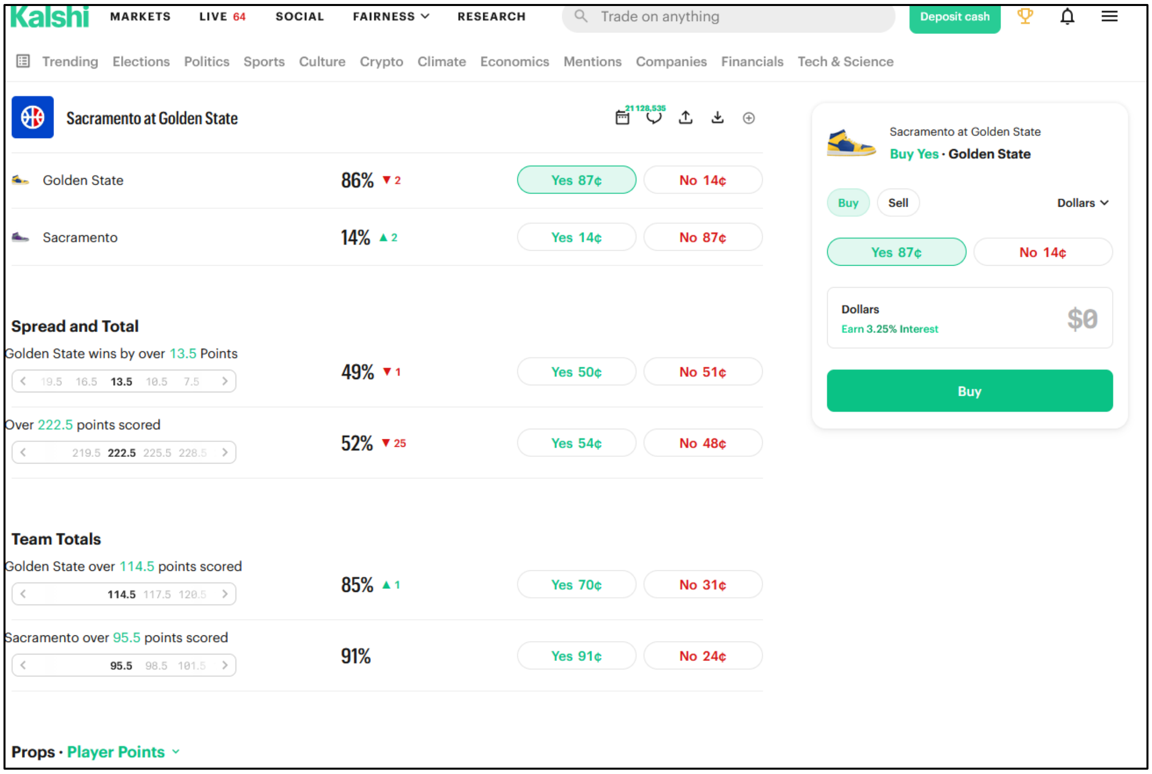
[29] Daniel O'Boyle, *Kalshi Fee Revenue in 2025 was $263.5 Million, With 89% Coming from Sports*, INGAME, https://www.ingame.com/kalshi-fee-revenue-2025/.

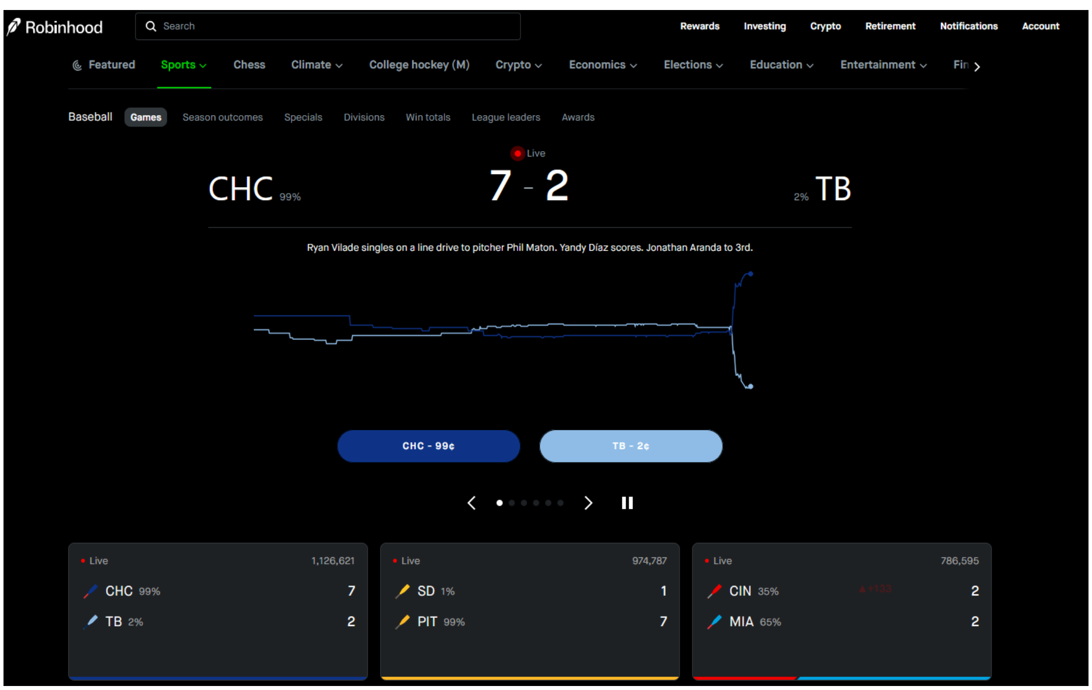
[30] Motley Fool Transcribing, *Robinhood (HOOD) Q4 Earnings Call Transcript*, THE MOTLEY FOOL (Feb. 10, 2026, 6:44 PM), https://www.fool.com/earnings/call-transcripts/2026/02/10/robinhood-hood-q4-2025-earnings-call-transcript/.

[31] Maham Fatima, *Webull (BULL) Reports 2025 Revenue of $571M, 46% YoY Growth*, YAHOO! FINANCE (Mar. 6, 2026), https://finance.yahoo.com/news/webull-bull-reports-2025-revenue-200036444.html.

[32] KALSHI, *Sacramento at Golden State*, https://kalshi.com/markets/kxnbagame/professional-basketball-game/kxnbagame-26apr07sacgsw?op_market_ticker=KXNBAGAME-26APR07SACGSW-GSW.



73. As exemplified by Robinhood's website, each Defendant also offers in-game wagering where users can place bets on the outcome of sporting events while they are in progress.



74. A wager on the outcome of a sporting event is not a "swap" as defined in 7 U.S.C.A.

§ 1a(47)(A)(ii).

75. Defendants Kalshi and Robinhood also offer parlays on their platforms.

76. Parlays are a common and popular type of sports wagering wager that allow the bettor to combine multiple bets (or "legs") into one. If all of their selections win, the bettor will receive a larger payout than if they had bet on a single event.

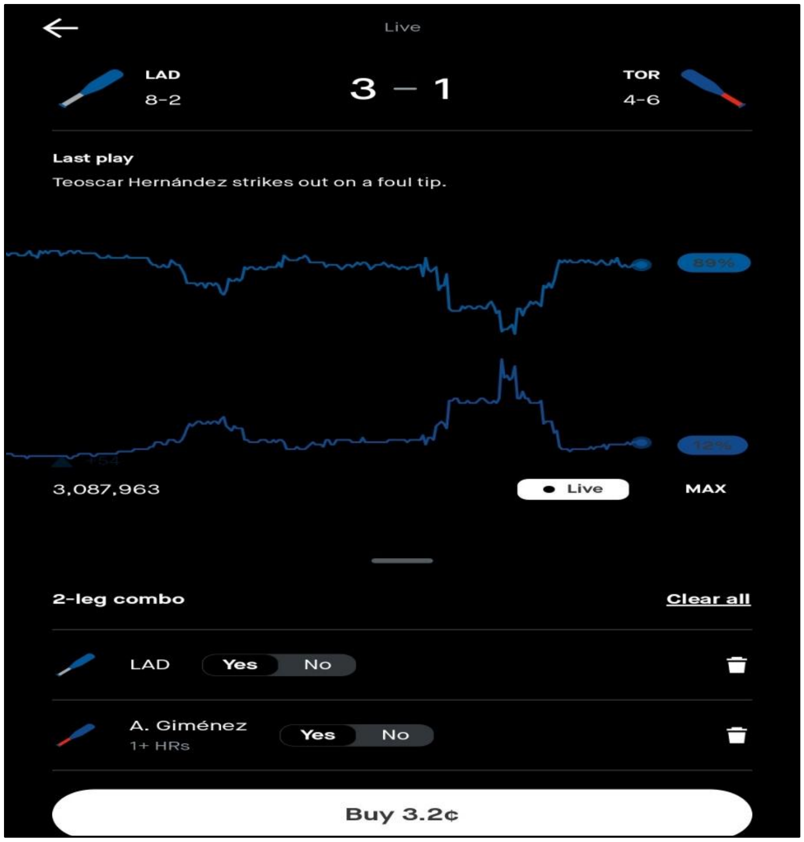
77. Despite the longer odds of winning and the more complicated calculation for odds of success, a recent Washington Post article on sports betting makes clear that, quite simply, "America is obsessed with parlays."[33] Indeed, more than 70% of NFL and NBA bets on FanDuel came from parlays in 2023, according to FanDuel parent company Flutter Entertainment.

78. To capitalize on the popularity of sports parlays, Kalshi and Robinhood, as demonstrated through the screenshot below from Robinhood's app, offer "combos" that "allow users to trade custom combinations of events."[34] While the combos come with higher payouts if all outcomes are correct, the bettor loses everything if any outcome is wrong. When launched, industry experts swiftly equated Defendants' combos with sportsbook parlays.[35]

[33] Emily Giambalvo, Kati Perry, and Aaron Steckelberg, *Americans Can't Stop Betting Parlays. Sportsbooks are Cashing In*, THE WASHINGTON POST (October 9, 2025), *https://www.washingtonpost.com/sports/interactive/2025/parlay-popularity-odds-sportsbooks/?itid=sr_0_73aac7bf-f36c-4046-9eec-663be16f2d43*.

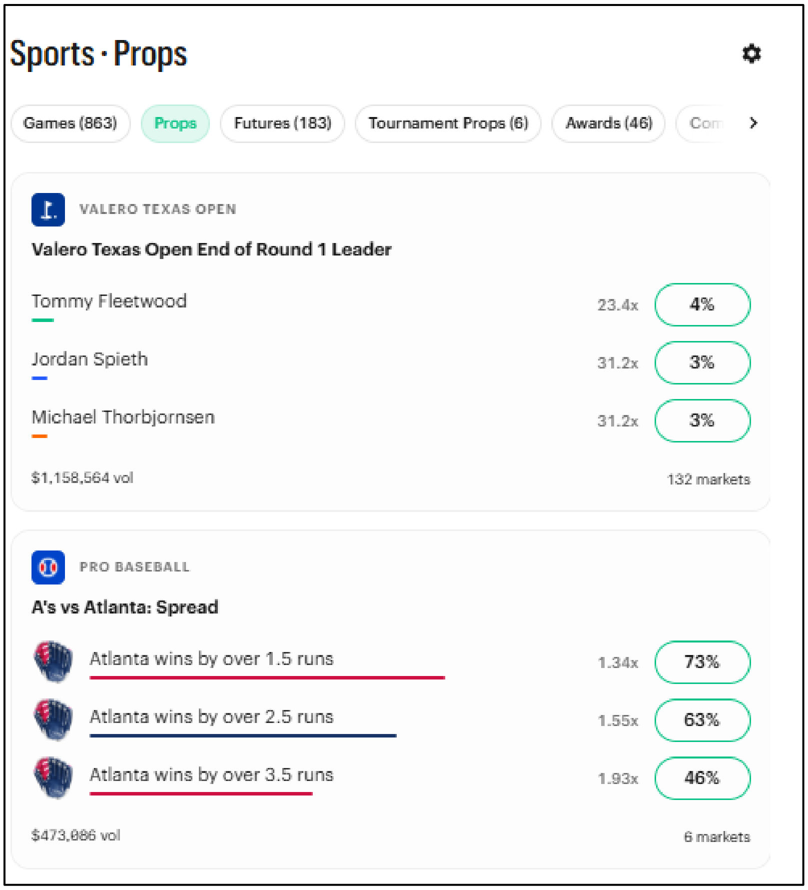
[34] *See Combos*, KALSHI, https://help.kalshi.com/en/articles/13823820-combos.

[35] *See* Ryan Butler, *Kalshi's Combo Event Contracts Raise Prediction Market Stakes*, YAHOO! FINANCE (Dec. 16, 2025), *https://finance.yahoo.com/news/kalshis-combo-event-contracts-raise-212400945.html*.



79. A wager on the outcome of a parlay is not a "swap" as defined in 7 U.S.C.A. § 1a(47)(A)(ii).

80. Defendants, as exemplified by the following from the Kalshi website, also each offer proposition bets, which are wagers placed on specific occurrences within a game, such as individual player statistics, not just the final score or outcome.



81. A wager on the outcome of a proposition bet is not a "swap" as defined in 7 U.S.C.A. § 1a(47)(A)(ii).

82. The sporting "event contracts" that Defendants offer have no value as a hedging instrument and are not intended to be hedging instruments, except insofar as a user is hedging potential sports wagering losses.

83. Indeed, Kalshi conceded, in a 2024 legal brief, that an event contract "contingent on a game or a game-related event—like the Kentucky Derby, Super Bowl, or Masters golf tournament" constituted a contract involving "gaming" (read: gambling).[36] It went on to

[36] Brief of Petition KalshiEx LLC at 17, *KalshiEX LLC v. Commodity Futures Trading Comm'n*, 119 F.4th 58 (D.C. Cir. 2024) (No. 24-5205).

acknowledge that such sports betting was "unlikely to serve *any* 'commercial or hedging interest.'"[37]

84. Yet, despite attempting to distance itself from online gambling when legally convenient, Kalshi has separately acknowledged that it is in direct competition with online sportsbooks like DraftKings and FanDuel, and promoted its business as a "disrupter" of online sportsbooks' businesses.[38]

85. Further, Kalshi has run ads explicitly calling sports-event contracts purchased on their platforms "bets" and stating that its platform offers a "legal" way to "bet" on sports in all 50 states.[39]

C. Defendants' Sporting Event Contracts Constitute Sports Wagering Under Maryland Law.

86. Defendants' sporting event contracts constitute "sports wagering" under Maryland law because they involve the business of accepting wagers on sporting events. Maryland defines "sports wagering" as "the business of accepting wagers on any sporting event by any system or method of wagering, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets." Md. Code Ann., State Gov't § 9-1E-01(j)

87. Through their prediction-market platform, Defendants permit users to risk money on uncertain sporting-event outcomes, including the outcomes of individual games, championships, and player performances. Users who correctly predict those outcomes receive

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[37] *Id*. at 45 (emphasis added).

[38] CNBC Television, *Kalshi CEO Tarek Mansour on NHL partnership: A seminal moment for prediction markets*, YOUTUBE (Oct. 22, 2025), https://www.youtube.com/watch?v=fKzu5mEEfAg.

[39] Dustin Gouker, *Kalshi Is Advertising That 'Sports Betting' Is Legal In California, Texas*, EVENT HORIZON (Sept. 17, 2025), https://nexteventhorizon.substack.com/p/kalshi-is-advertising-sports-betting-legal-in-california-texas.

monetary payouts, while users who predict incorrectly lose the money they risked. Such transactions are wagers on sporting events regardless of the labels Defendants use to describe them

88. The Maryland Lottery and Gaming Control Commission has concluded that contracts whose value depends on the outcome of sporting events are "indistinguishable from the act of placing a sports wager" because "the outcome of a sporting event is the basis for determining whether payment will be made" to purchasers. The Commission further determined that offering such contracts in Maryland without a sports-wagering license constitutes unauthorized sports wagering under Maryland law.

89. Accordingly, Defendants' sports-event contracts are wagers on uncertain sporting event outcomes, structured and operated in a manner that meets the legal definition of sports wagering under Maryland law.

90. The regulation of gambling enterprises has long been recognized as lying at the core of a state's police power. *See Ah Sin v. Wittman*, 198 U.S. 500, 505–06 (1905) ("The suppression of gambling is concededly within the police powers of a state, and legislation prohibiting it, or acts which may tend to or facilitate it, will not be interfered with . . . .").

91. Indeed, Congress has unequivocally stated that "the States should have the primary responsibility for determining what form of gambling may legally take place within their borders." 15 U.S.C. § 3001(a)(1).

92. Prediction market operators have argued that the Dodd-Frank Act, enacted in response to the 2008 financial crisis, expanded the Commodity Exchange Act so as to grant the

Commodity Future Trading Commission exclusive jurisdiction over the sports wagers offered on their platforms.

93. The Commodity Exchange Act, however, expresses no intent to interfere with or preempt state or local regulation of sports gambling. Further, it is "simply implausible that Congress would silently reverse course" on the longstanding recognition that states have primary responsibility for regulating gambling within their borders "through an Act addressing the 2008 housing financial crisis." *KalshiEx LLC v. Cox*, No. 2:26-cv-00151-RJS-CMR, 2026 WL 2241564, at *10 (D. Utah Aug. 4, 2026) (granting the State of Utah's motion for summary judgment on the issue of whether the Commodity Exchange Act preempts Utah's enforcement of its anti-gambling laws against Kalshi).

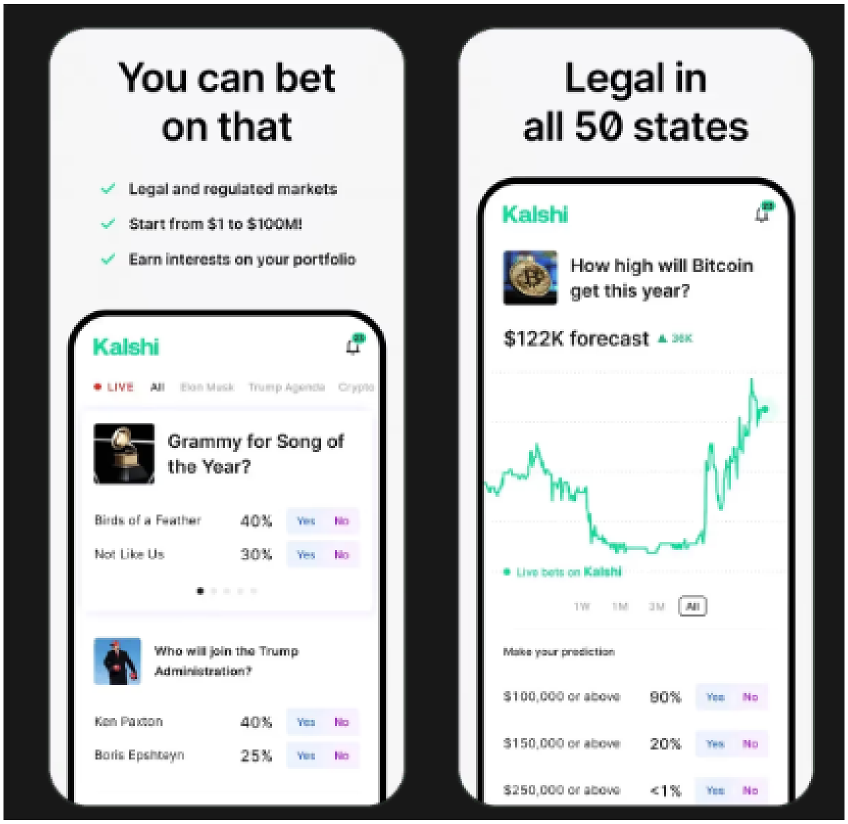
III. THROUGH THEIR PLATFORMS AND ADVERTISING, DEFENDANTS HAVE DECEPTIVELY MISREPRESENTED THAT THEY OFFER LEGAL AND AUTHORIZED SPORTS WAGERING.

94. Defendants marketed sports wagers to people in Baltimore through their websites, mobile apps, advertisements on streaming videos and television (especially during or surrounding sports broadcasts), and through social media platforms.

95. Defendants' advertisements have conveyed the false and misleading impression that they are authorized to offer sports wagering under Maryland law.

96. Kalshi has regular and sports-focused social media accounts that it made available to people in Baltimore, including Instagram (@kalshi and @kalshisports), TikTok (@kalshi_markets), and X (@kalshi). Kalshi advertised across these platforms, including to people in Baltimore, that Kalshi's customers can "bet" on a variety of events. For example, on mobile

application stores such as the "App Store" for iOS (Apple) devices and "Google Play" for Android devices, Kalshi's taglines have included: "You can bet on that"[40] and "Legal in all 50 states."[41]



97. When Kalshi opened its platform to sports wagering in January 2025,[42] Kalshi's announcement read, "Game on: Kalshi brings 100% legal sports trading to all 50 states."[43]

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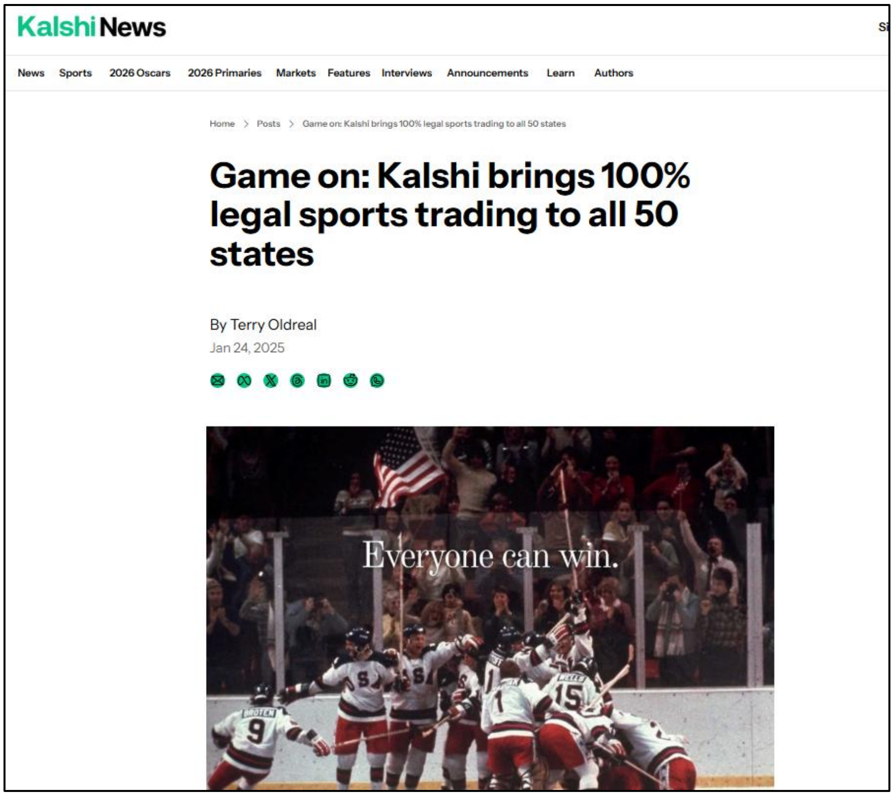
[40] Appshot.Gallery is a company that describes itself as a resource for developers and designers trying to optimize mobile application store listings. The website's gallery of curated screenshots includes these from Kalshi. *See* APPSHOT.GALLERY, https://www.appshot.gallery/app/kalshi-bet-on-the-headlines (last visited Apr. 2, 2026).

[41] *See id*.

[42] Stuart Dyos, *Prediction market Kalshi enters sports betting ahead of Super Bowl, days after naming Donald Trump Jr. as an advisor,* FORTUNE (Jan. 25, 2025), *https://fortune.com/2025/01/25/kalshi-sports-betting-donald-trump-jr-super-bowl-prediction-market/?utm_source=search&utm_medium=suggested_search&utm_campaign=search_link_clicks*

[43] Terry Oldreal, *Game on: Kalshi brings 100% legal sports trading to all 50 states,* KALSHI (Jan. 24, 2025), *available at: https://news.kalshi.com/p/game-on-kalshi-sports-trading-is-now-100-legal-in-all-50-states-2*.

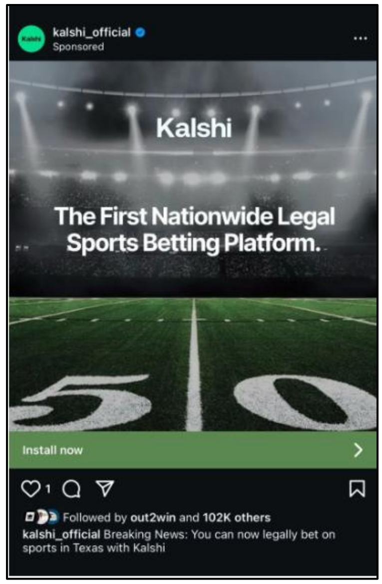


98. Through Instagram, Kalshi has proclaimed that it is "The First Nationwide Legal Sports Betting Platform,"[44] evidencing Kalshi's strategy to operate and market like a gambling entity rather than a risk management platform. It also has other social media posts using the terms "odds"[45] and chances,[46] which are associated with traditional gambling.

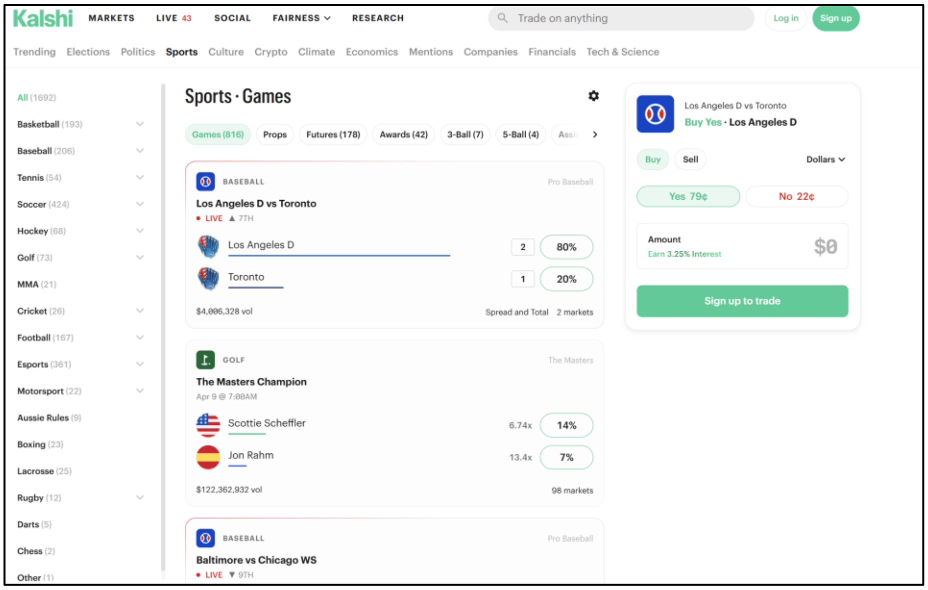
[44] Dustin Gouker, *Ten Times Kalshi Said People Could Bet on Things*, EVENT HORIZON (Apr. 3, 2025), *available at:* https://nexteventhorizon.substack.com/p/ten-times-kalshi-said-people-could.

[45] Kalshi Instagram post from May 13, 2025, *available at: https://www.instagram.com/p/DJm5EaTPpYA/?utm_source=ig_web_copy_link&igsh=MzRlODBiNWFlZA==*

[46] Kalshi Instagram post from May 13, 2025, *https://www.instagram.com/p/DKU5SUPgtP4/?utm_source=ig_web_copy_link&igsh=MzRlODBiNWFlZA==*.



99. Further, Defendants have all promoted sports wagering to people in Baltimore on their websites, as exemplified below and on the following page:


Kalshi
MARKETS
LIVE 43
SOCIAL
FAIRNESS
RESEARCH
Trade on anything
Log in
Sign up
Trending Elections Politics Sports Culture Crypto Climate Economics Mentions Companies Financials Tech & Science
All (1692)
Basketball (193)
Baseball (206)
Tennis (54)
Soccer (424)
Hockey (68)
Golf (73)
MMA (21)
Cricket (26)
Football (167)
Esports (361)
Motorsport (22)
Aussie Rules (9)
Boxing (23)
Lacrosse (25)
Rugby (12)
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Scottie Scheffler 6.74x 14%
Jon Rahm 13.4x 7%
$122,362,932 vol
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BASEBALL
Pro Baseball
Baltimore vs Chicago WS
LIVE 9TH
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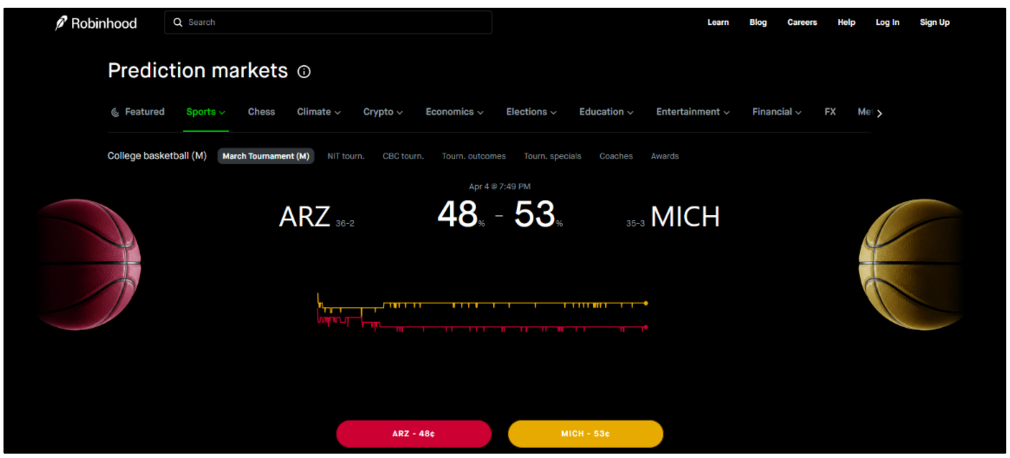
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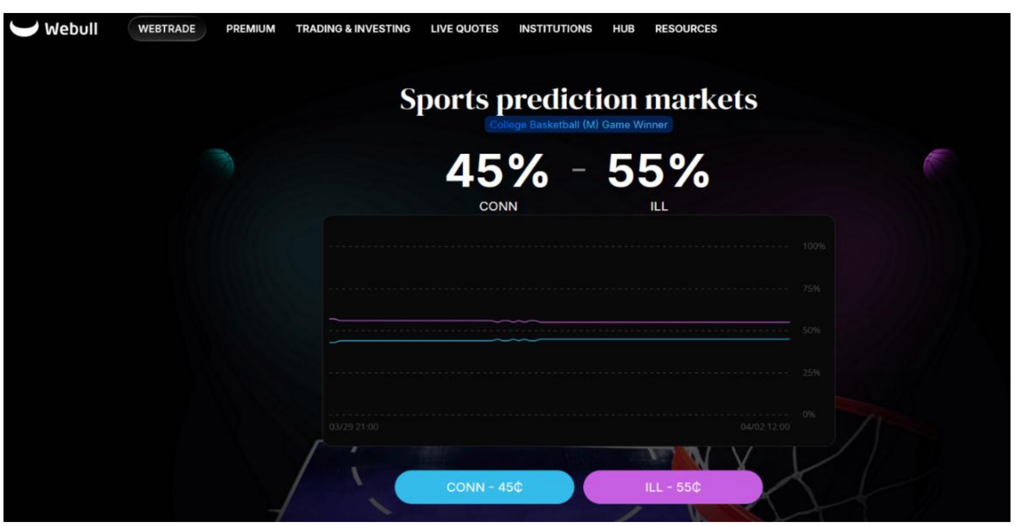
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Sports prediction markets
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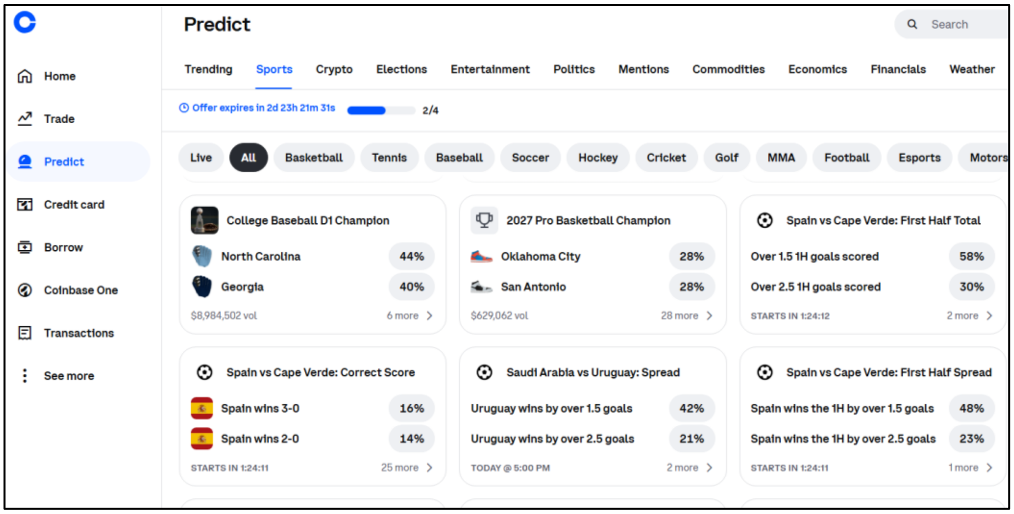

100. Defendants have not disclosed, through their websites or advertisements, that they are not authorized to accept sports wagers under Maryland law.

IV. DEFENDANTS FAILED TO DISCLOSE THE RISKS OF LOSS ARISING FROM INSIDER TRADING AND PROFESSIONAL TRADERS.

101. Defendants market and operate the Kalshi platform as a place where ordinary consumers can participate in event-based markets and sports wagering against other users. In doing so, Defendants create the misleading impression that consumers are merely trading against other ordinary individuals rather than sophisticated professional traders possessing significant informational, technological, and financial advantages.

102. Defendants have failed to disclose material facts concerning the extent and nature of risks associated with insider trading, manipulation, and trading based on advance knowledge of contract outcomes in the markets offered through their platforms.

103. Many of the contracts offered through Defendants' platforms concern events for which material information may be known in advance by a limited number of people before that information becomes publicly available. Depending on the contract, those persons may include athletes, coaches, team employees, league personnel, broadcasters, entertainers, production staff,

campaign personnel, government officials, contractors, vendors, and others possessing advance knowledge concerning the outcome of a contract.

104. Public reports, industry participants, sports leagues, and federal regulators have repeatedly raised concerns regarding insider trading, manipulation, and trading based on advance knowledge of contract outcomes in prediction markets.[47]

105. Further, one recent analysis found that sophisticated traders on Kalshi often utilize proprietary data feeds, predictive models, algorithmic trading systems, artificial-intelligence tools, and other expensive resources unavailable to ordinary consumers. One firm reportedly spent more than $200,000 annually on data feeds and AI tools used to support prediction-market trading.[48]

106. The same analysis also found that retail traders on Kalshi have lost over half a billion dollars—$583.5 million, and that more than two-thirds of those losses ($371.6 million) were from sports alone.

107. Kalshi itself recently admitted that there are nearly three times as many people losing money as making it on its platform.[49]

108. Indeed, the evidence suggests that ordinary participants in prediction markets lose *more* money than participants in other forms of gambling, such as sportsbooks or casinos.[50]

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[47] Dirk van Haaster, *Insider Trading Claims Rock Super Bowl Halftime Markets, Prompt Calls for Action*, DeFi Rate (Feb. 9, 2026, 7:23 AM PDT), https://defirate.com/news/insider-trading-claims-hit-super-bowl-prediction-markets/;

David Purdum, *NFL Asks Prediction Markets to Stop Manipulable Trading*, ESPN (Mar. 30, 2026, 9:00 AM ET), https://www.espn.com/nfl/story/_/id/48338843/nfl-asks-prediction-markets-stop-manipulable-trading;

David I. Miller, Director of Enforcement, Commodity Futures Trading Comm'n, *Remarks at NYU Law School: CFTC Enforcement Priorities, Insider Trading in the Prediction Markets, and Cooperation with the CFTC* (Mar. 31, 2026), https://www.cftc.gov/PressRoom/SpeechesTestimony/opamiller1.

[48] Lipton & Odusola, supra note 5.

[49] Neil Mehta, Katherine Long & Caitlin Ostroff, *Why Almost Everyone Loses—Except a Few Sharks—on Prediction Markets*, Wall St. J. (May 3, 2026, 9:00 PM ET), https://www.wsj.com/finance/investing/polymarket-kalshi-betting-profits-prediction-markets-eb23ac11.

[50] Lipton & Odusola, supra note 5 (further noting that "[p]rediction markets advertise that their platforms are better than traditional gambling because users are betting against each other rather than against a 'house.' But the reality is that ordinary people participating in prediction markets are largely betting against professional traders using

109. Leading up to and during the 2026 Super Bowl, traders on Kalshi and other prediction-market platforms publicly identified trading activity that they believed reflected advance knowledge of halftime-show plans. For instance, one trader placed approximately $500,000 on Lady Gaga appearing during the halftime show before any public confirmation of her appearance. Public reporting further described accounts that appeared to trade successfully on multiple Super Bowl halftime-show markets before relevant information became publicly available, sparking allegations that the traders possessed advance knowledge of halftime-show plans and performers.[51]

110. The National Football League has also publicly warned that certain prediction-market contracts are particularly susceptible to insider trading and manipulation. In March 2026, the NFL asked prediction-market operators to refrain from offering contracts involving matters that can be known in advance or influenced by individuals connected to the event, including announcer statements, celebrity appearances, draft selections, player signings, and coaching decisions.[52]

111. More than $47 million was traded on Kalshi contracts tied to announcer statements during the Super Bowl, leading the NFL to express concerns that individuals possessing advance information could use that knowledge to profit in those markets.[53]

112. Federal regulators have likewise recognized insider trading in prediction markets as a significant concern. In March 2026, the Director of Enforcement for the Commodity Futures

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sophisticated methods…[t]he key point is that the deck is systematically stacked against everyday users participating in these markets… it isn't clear that everyday participants in prediction markets know how sophisticated the person or the methods on the other side of the transaction are."

[51] van Haaster, supra note 46.

[52] Purdum, supra note 46.

[53] David Purdum, *Bettors Raising Stakes on What Super Bowl Announcers Say*, ESPN (Feb. 2, 2026, 8:01 AM ET), https://www.espn.com/nfl/story/_/id/47781111/super-bowl-nfl-betting-kalshi-mention-markets-announcers.

Trading Commission publicly identified insider trading in prediction markets as an enforcement priority and warned that certain event contracts create heightened risks that persons possessing material nonpublic information may trade against other market participants.[54]

113. Public reporting has further indicated that, in the first quarter of 2026 alone, Kalshi flagged more than 400 suspicious trades, more than twice the number of trades it reportedly investigated during all of 2025.[55]

114. Information concerning risks associated with insider trading, manipulation, and advance knowledge of contract outcomes is material to consumers. A reasonable consumer deciding whether to place a wager through Defendants' platforms would consider it important to know that certain contracts may be especially vulnerable to insider trading, manipulation, or trading based on advance knowledge of contract outcomes.

115. A reasonable consumer would also consider it important to know that ordinary users may be trading against sophisticated and professional traders who use proprietary data, predictive models, advanced technology, and other resources unavailable to most consumers, and who capture a disproportionate share of profits on prediction-market platforms.[56]

116. Despite promoting Kalshi as a platform where users are trading against one another rather than against a traditional sportsbook or casino, Defendants have not adequately disclosed the extent to which ordinary consumers may be trading against traders who possess advantages such as access to proprietary data, predictive models, advanced technology, material nonpublic information, and other resources unavailable to ordinary users.

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[54] Miller, supra note 46.

[55] Suzanne McGee, *Prediction Markets See Surge in Suspicious Trades as Popularity Explodes*, U.S. News & World Rep. (May 15, 2026), https://www.usnews.com/news/top-news/articles/2026-05-15/prediction-markets-see-surge-in-suspicious-trades-as-popularity-explodes.

[56] Lipton & Odusola, supra note 5.

117. Defendants have also not adequately disclosed the extent to which those participants capture a disproportionate share of profits on prediction-market platforms, particularly compared to traditional sportsbooks or casinos.

V. KALSHI AFFIRMATIVELY REPRESENTED THAT ITS MARKETS WERE TRUSTWORTHY, SAFE, AND PROTECTED AGAINST INSIDER TRADING.

118. Kalshi has repeatedly promoted its platform as trustworthy, transparent, safe, and protected against insider trading and market manipulation.

119. Through its website, marketing materials, public statements, and media appearances, Kalshi has misrepresented that consumers can participate in its markets with confidence because the platform is subject to extensive integrity protections.

120. For example, Kalshi has misrepresented that consumers may trade on its platform with "100% confidence," that Kalshi is built on a foundation of "trust, transparency, and top-tier regulation," and that it provides a "safe environment for traders."[57]

121. Kalshi has also misrepresented that its markets operate with "maximum trust, safety, and oversight."[58]

122. Kalshi has also misrepresented that its protections and standards are "stricter than stock exchanges."[59]

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[57] Kalshi News, *How Kalshi Creates a Safe Environment for Traders: Building Trust Through Regulation, Surveillance, and Strict Integrity Standards* (Jan. 6, 2026), https://news.kalshi.com/p/how-kalshi-keeps-traders-safe; Kalshi News, *Kalshi Is Fully Regulated and Trustworthy* (June 4, 2025), https://news.kalshi.com/p/kalshi-fully-regulated-trustworthy-not-a-scam.

[58] Kalshi News, *How Kalshi Creates a Safe Environment for Traders: Building Trust Through Regulation, Surveillance, and Strict Integrity Standards* (Jan. 6, 2026), https://news.kalshi.com/p/how-kalshi-keeps-traders-safe.

[59] Kalshi, *Stopping Insider Trading*, https://kalshi.com/policy-center/insider-trading (last visited Aug. 4, 2026).

123. Kalshi's misrepresentations concerning trust, safety, transparency, market integrity, and protection against insider trading have created the misleading impression that consumers can participate in markets on a level playing field with other participants.

CLAIMS FOR RELIEF

CLAIMS ASSERTED AGAINST KALSHI

COUNT 1

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH DECEPTIVE TRADE PRACTICES

124. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

125. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

126. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

127. The MCPA defines "unfair, abusive, or deceptive trade practices" to include, *inter alia*¸ the following:

- False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers;
- Representation that consumer goods, consumer realty, or consumer services have a sponsorship, approval, accessory, characteristic, ingredient, use, benefit, or quantity which they do not have;
- Representation that a merchant has a sponsorship, approval, status, affiliation, or connection which he does not have;
- Failure to state a material fact if the failure deceives or tends to deceive; and

- Deception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same in connection with the promotion or sale of any consumer goods, consumer realty, or consumer service.

Md. Code Ann., Com. Law, § 13-301.

128. Defendants Kalshi Inc. and KalshiEX LLC (the "Defendants" for the purposes of this Count) have violated the CPO by engaging in deceptive acts and practices in Baltimore City.

129. Through the promotion of sports wagering on their websites and mobile apps, Defendants have repeatedly conveyed the false, deceptive, and misleading impression that the sports wagers they offer through their prediction market are lawful in Maryland.

130. Through statements on the Kalshi website, Defendants have also misrepresented that Kalshi's markets are trustworthy, transparent, safe, and protected against insider trading and market manipulation.

131. Defendants have further failed to disclose material facts concerning the extent and nature of risks associated with insider trading, manipulation, trading based on advance knowledge of contract outcomes, the extent to which consumers may be trading against sophisticated participants possessing significant informational, technological, financial, or other advantages.

132. Defendants' misrepresentations and omissions had the capacity, tendency, and effect of deceiving and misleading consumers concerning both the legality of Defendants' products and the nature, safety, integrity, and risks of those products.

133. At all times, Defendants' false, deceptive, and misleading conduct has been willful.

134. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

135. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

COUNT 2

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH UNFAIR AND ABUSIVE TRADE PRACTICES

136. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

137. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

138. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

139. While specific practices are enumerated in the MCPA (and, by extension, the CPO), "[i]t is the intent of the [Maryland] General Assembly that in construing the term 'unfair or deceptive trade practices,' due consideration and weight be given to the interpretations of § 5(a)(1) of the Federal Trade Commission Act [(15 U.S.C. § 45)] by the Federal Trade Commission and the federal courts." Md. Code Ann., Com. Law § 13-105.

140. The Federal Trade Commission has explained that unfairness under 15 U.S.C. § 45 is determined in part by a consideration of "(1) whether the practice injures consumers," and "(2) whether it violates established public policy."[60]

141. Defendants Kalshi Inc. and KalshiEX LLC ("Defendants" for the purposes of this Count) have violated the CPO by engaging in unfair and abusive acts and practices in Baltimore City through the unauthorized offering and facilitation of sports wagering.

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[60] FTC Policy Statement on Unfairness (Dec. 17, 1980), https://www.ftc.gov/legal-library/browse/ftc-policy-statement-unfairness.

142. Through their unauthorized offering and facilitation of sports wagering within Baltimore, Defendants have caused substantial consumer injury in the form of monetary losses.

143. Defendants' unauthorized offering and facilitation of sports wagering within Baltimore is not outweighed by countervailing benefits to consumers or competition.

144. Defendants' unauthorized offering and facilitation of sports wagering within Baltimore is against public policy.

145. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

146. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

CLAIMS ASSERTED AGAINST ROBINHOOD

COUNT 3

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH DECEPTIVE TRADE PRACTICES

147. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

148. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

149. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

150. The MCPA defines "unfair, abusive, or deceptive trade practices" to include, *inter alia*, the acts and practices set forth above. Md. Code Ann., Com. Law § 13-301.

151. Defendants Robinhood Markets, Inc. and Robinhood Derivatives LLC (the "Defendants" for purposes of this Count) have violated the CPO by engaging in deceptive acts and practices in Baltimore City.

152. Through the Robinhood prediction-market hub, website, mobile application, advertisements, and promotional materials, Defendants have repeatedly conveyed the false, deceptive, and misleading impression that the sports-event contracts available through the Robinhood platform are lawful in Maryland.

153. Through the promotion of sports-event contracts to Maryland consumers, Defendants have repeatedly conveyed the false, deceptive, and misleading impression that those products may lawfully be purchased and traded in Maryland.

154. At all times, Defendants' false, deceptive, and misleading conduct has been willful.

155. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

156. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

COUNT 4

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH UNFAIR AND ABUSIVE TRADE PRACTICES

157. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

158. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

159. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

160. While specific practices are enumerated in the MCPA (and, by extension, the CPO), "[i]t is the intent of the [Maryland] General Assembly that in construing the term 'unfair or deceptive trade practices,' due consideration and weight be given to the interpretations of § 5(a)(1) of the Federal Trade Commission Act [(15 U.S.C. § 45)] by the Federal Trade Commission and the federal courts." Md. Code Ann., Com. Law § 13-105.

161. The Federal Trade Commission has explained that unfairness under 15 U.S.C. § 45 is determined in part by a consideration of "(1) whether the practice injures consumers," and "(2) whether it violates established public policy."

162. Defendants Robinhood Markets, Inc. and Robinhood Derivatives LLC ("Defendants" for the purposes of this Count) have violated the CPO by engaging in unfair and abusive acts and practices in Baltimore City through the promotion, offering, and facilitation of sports wagering.

163. Through their unauthorized offering and facilitation of sports wagering within Baltimore, Defendants have caused substantial consumer injury in the form of monetary losses.

164. Defendants' unauthorized offering and facilitation of sports wagering within Baltimore is not outweighed by countervailing benefits to consumers or competition.

165. Defendants' unauthorized offering and facilitation of sports wagering within Baltimore is against public policy.

166. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

167. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

CLAIMS ASSERTED AGAINST WEBULL

COUNT 5

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH DECEPTIVE TRADE PRACTICES

168. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

169. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

170. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

171. The MCPA defines "unfair, abusive, or deceptive trade practices" to include, *inter alia*, the acts and practices set forth above. Md. Code Ann., Com. Law § 13-301.

172. Defendants Webull Corporation and Webull Financial LLC ("Defendants," for purposes of this Count) have violated the CPO by engaging in deceptive acts and practices in Baltimore City.

173. Through the Webull prediction-market hub, website, mobile application, and promotional materials, Defendants have repeatedly conveyed the false, deceptive, and misleading impression that sports-event contracts available through the Webull platform may lawfully be purchased and traded in Maryland.

174. Through the promotion and facilitation of sports-event contracts to Maryland consumers, Defendants have repeatedly conveyed the false, deceptive, and misleading impression that those products may lawfully be purchased and traded in Maryland.

175. At all times, Defendants' false, deceptive, and misleading conduct has been willful.

176. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

177. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

COUNT 6

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH UNFAIR AND ABUSIVE TRADE PRACTICES

178. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

179. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

180. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

181. While specific practices are enumerated in the MCPA (and, by extension, the CPO), "[i]t is the intent of the [Maryland] General Assembly that in construing the term 'unfair or deceptive trade practices,' due consideration and weight be given to the interpretations of § 5(a)(1) of the Federal Trade Commission Act [(15 U.S.C. § 45)] by the Federal Trade Commission and the federal courts." Md. Code Ann., Com. Law § 13-105.

182. The Federal Trade Commission has explained that unfairness under 15 U.S.C. § 45 is determined in part by a consideration of "(1) whether the practice injures consumers," and "(2) whether it violates established public policy."

183. Defendants Webull Corporation and Webull Financial LLC ("Defendants," for purposes of this Count) have violated the CPO by engaging in unfair and abusive acts and practices in Baltimore City through the promotion, offering, and facilitation of sports wagering.

184. Through their unauthorized offering and facilitation of sports wagering in Baltimore, Defendants have caused substantial consumer injury in the form of monetary losses. Defendants have obtained an unfair competitive advantage by offering sports wagering products to Maryland consumers while operating outside Maryland's licensing, regulatory, and consumer-protection framework applicable to licensed sportsbooks.

185. Defendants' unauthorized offering and facilitation of sports wagering within Baltimore is against public policy.

186. Plaintiff is entitled to an injunction to prevent Defendants' continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

187. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

CLAIMS ASSERTED AGAINST COINBASE

COUNT 7

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH DECEPTIVE TRADE PRACTICES

188. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

189. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

190. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

191. The MCPA defines "unfair, abusive, or deceptive trade practices" to include, *inter alia*, the acts and practices set forth above. Md. Code Ann., Com. Law § 13-301.

192. Defendant Coinbase Financial Markets, Inc. has violated the CPO by engaging in deceptive acts and practices in Baltimore City.

193. Through the Coinbase prediction-market hub, website, mobile application, advertisements, and promotional materials, Coinbase has repeatedly conveyed the false, deceptive, and misleading impression that the sports-event contracts available through the Coinbase platform are lawful in Maryland.

194. Through the promotion of sports-event contracts to Maryland consumers, Coinbase has repeatedly conveyed the false, deceptive, and misleading impression that those products may lawfully be purchased and traded in Maryland.

195. At all times, Coinbase's false, deceptive, and misleading conduct has been willful.

196. Plaintiff is entitled to an injunction to prevent Coinbase's continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

197. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

COUNT 8

VIOLATIONS OF BALTIMORE CONSUMER PROTECTION ORDINANCE THROUGH UNFAIR AND ABUSIVE TRADE PRACTICES

198. Plaintiff repeats and realleges paragraphs 1-123 of this Complaint as if fully set forth herein.

199. The Baltimore Consumer Protection Ordinance ("CPO") prohibits "unfair, abusive, or deceptive trade practices" in connection with the sale and offer for sale of consumer goods and services. Baltimore City Code Art. 2, § 4-2.

200. The CPO incorporates the Maryland Consumer Protection Act's ("MCPA") definition of "unfair, abusive, or deceptive trade practices." Baltimore City Code Art. 2, § 4-1.

201. While specific practices are enumerated in the MCPA (and, by extension, the CPO), "[i]t is the intent of the [Maryland] General Assembly that in construing the term 'unfair or deceptive trade practices,' due consideration and weight be given to the interpretations of § 5(a)(1) of the Federal Trade Commission Act [(15 U.S.C. § 45)] by the Federal Trade Commission and the federal courts." Md. Code Ann., Com. Law § 13-105.

202. The Federal Trade Commission has explained that unfairness under 15 U.S.C. § 45 is determined in part by a consideration of "(1) whether the practice injures consumers," and "(2) whether it violates established public policy."

203. Coinbase has violated the CPO by engaging in unfair and abusive acts and practices in Baltimore City through the promotion, offering, and facilitation of sports wagering.

204. Through its unauthorized offering and facilitation of sports wagering within Baltimore, Coinbase has caused substantial consumer injury in the form of monetary losses.

205. Coinbase obtained an unfair competitive advantage by offering sports wagering products to Maryland consumers while operating outside Maryland's licensing, regulatory, and consumer-protection framework applicable to licensed sportsbooks.

206. Coinbase's unauthorized offering and facilitation of sports wagering within Baltimore is against public policy.

207. Plaintiff is entitled to an injunction to prevent Coinbase's continued violation of the CPO. Baltimore City Code Art. 2, § 4-5.

208. For each violation of the CPO, and for each day that a violation was committed, Plaintiff is entitled to civil penalties of up to $1,000. Baltimore City Code Art. 2, § 4-4.

DEMAND FOR RELIEF

WHEREFORE, Plaintiff, the City of Baltimore, respectfully requests that the Court enter judgment in its favor and against Defendants, as follows:

a. Awarding the maximum amount of statutory penalties available under Baltimore City Code Art. 2, § 4-3(a), for each violation of Baltimore's CPO, Baltimore City Code Art. 2, § 4-2;

b. Injunctive relief mandating that Defendants cease operating their unauthorized sports wagering platforms in the City of Baltimore and prohibiting them from accepting transactions from Baltimore residents;

c. Disgorgement of ill-gotten gains derived from Defendants' unlawful practices;

d. Restitution to Baltimore consumers harmed by Defendants' unlawful practices; and

e. Awarding such other relief as may be available and appropriate under the law or in equity.

JURY TRIAL DEMANDED

Plaintiff demands a trial by jury on all claims so triable.

DATED: August 13, 2026

Respectfully submitted,

Ebony M. Thompson
City Solicitor

/s/ Sara Gross
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**pro hac vice motions to be filed*

Counsel for Plaintiff, the City of Baltimore