Gary Kalbaugh Quoted in Bloomberg on Ongoing Prediction Markets Regulation Battle

Date: 07/29/26

Cahill partner Gary Kalbaugh was quoted in a recent *Bloomberg Law* Deep Dive on one of the most closely watched developments in the fight over federal versus state authority over prediction markets.

Recently in New York, Judge Analisa Torres ruled against Kalshi in its attempt to block New York officials from regulating its sports prediction markets. Judge Torres held that, given New York's longstanding interest in gambling regulation, federal commodity law does not reflect a congressional intent to override state regulation of prediction markets—even as she agreed the underlying contracts function as swaps. Kalshi has since appealed the ruling.

"It is unique in that the judge agreed that these transactions are swaps," said Gary. "That's different from the reasonings of other courts where states won arguments."

With circuit courts trending in different directions and industry observers anticipating the issue could reach the Supreme Court within the next few years, Gary's analysis of how courts are distinguishing the New York decision offers a valuable lens for tracking where this fast-moving area of law is headed.

Read the full article: CFTC Fights Setbacks in Quest to Lock Down Prediction Markets

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