

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA
NORTHERN DIVISION**

CHRISTOPHER JENNINGS,
individually and on behalf of all others
similarly situated

Plaintiff,

v.

KALSHI INC., KALSHIEX LLC,
KALSHI KLEAR INC., KALSHI
KLEAR LLC, KALSHI TRADING LLC,
SUSQUEHANNA INTERNATIONAL
GROUP, LLP, AND SUSQUEHANNA
GOVERNMENT PRODUCTS, LLP,

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Christopher Jennings, by and through the undersigned counsel, brings this action against Defendants Kalshi Inc., KalshiEX LLC, Kalshi Klear Inc., Kalshi Klear LLC, Kalshi Trading LLC, Susquehanna International Group, LLP, and Susquehanna Government Products, LLP (together, “Kalshi” or “Defendants”) for running an illegal online gambling enterprise in violation of Alabama law, and alleges as follows:

INTRODUCTION

1. This action seeks declaratory and injunctive relief and damages against Kalshi for evading Alabama gaming laws by offering illegal, unconstitutional, and

untaxed sports betting on its mobile app and website throughout the State of Alabama.

2. Gambling causes many social and familial harms, including “financial stress, relationship breakdown, family violence, mental illness and suicide.”¹ Even more, “[t]he legacy of gambling harm can endure throughout one’s life and transmit intergenerationally.”²

3. Sports betting in particular is appealing, and in many cases targeted, to minors.³

4. Kalshi is no different, and in fact it permits (and encourages) users under the age of 21 to wager on sporting outcomes.⁴

5. To protect its residents from these harms, Alabama prohibits gambling-related activities within its borders.

6. Namely, Alabama’s Constitution outlaws it and—more than that—strips the Alabama Legislature of any power to enact a law which would otherwise allow gambling. *See* Ala. Const. art. IV, § 65.

7. More specifically, Alabama does “not currently allow legal, online sports betting through traditional sports books. That has been a deliberate choice,

¹ <https://www.who.int/news-room/fact-sheets/detail/gambling>

² *Id.*

³ <https://www.cbc.ca/news/health/youth-sports-betting-advertisements-enticing-doctors-1.7627752>

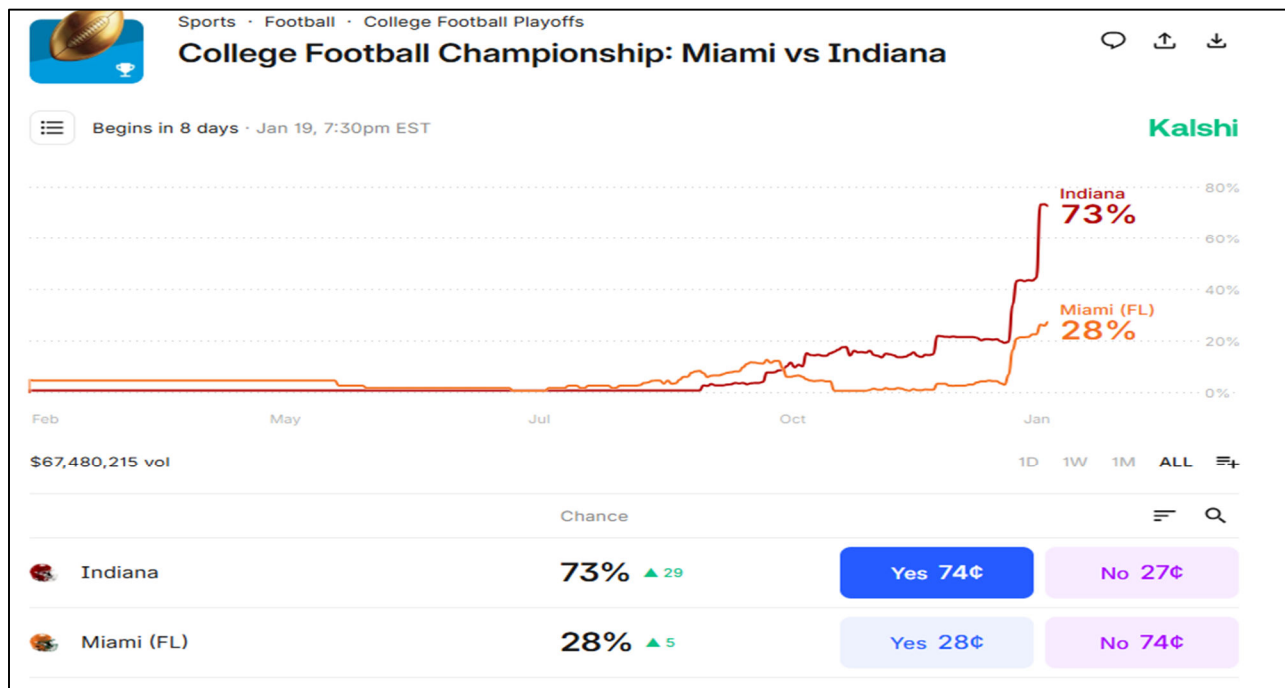
⁴ <https://gamblingharm.org/kalshi-college-ambassadors-program/>

shaped by our laws, our values, and the voices of Alabama voters.”⁵

8. Kalshi, however, believes it is above Alabama law.

9. Specifically, Kalshi operates a “prediction market” in Alabama whereby Alabama residents can buy and sell “event contracts” related to, among other things, sporting outcomes all while not registering to do business in Alabama or paying any taxes to the State of Alabama.

10. And while cleverly disguised as unique securities and/or commodities purportedly regulated by the CFTC, these event contracts are nothing more thinly veiled illegal wagers based on the outcome of specific future events (e.g., whether a sports team will win or lose), as the figures below reflect:



⁵ <https://www.al.com/politics/2026/01/alabama-should-decide-its-own-future-on-sports-betting-op-ed.html>


Rules summary (i)

Indiana ▼

If Indiana wins the College Football Playoff National Championship, then the market resolves to **Yes**. Sources from [Fox Sports](#), [ESPN](#), [The Wall Street Journal](#), and [AP](#).

Kalshi is not affiliated, associated, authorized, endorsed by, or in any way officially connected with the NCAA. All trademarks, logos, and brand names are the property of their respective owners. Note: this event is mutually...

11. Not only can Alabama residents bet on who will win the game, but Kalshi also provides other traditional sports gambling offerings, such as the outcome of the point spread, total combined points, and prop bets (such as the total number of touchdowns a player may accumulate), as the image below reflects:



Houston at Pittsburgh

📅⁴ 💬 📤 📥

Spread and Total

Houston wins by over 2.5 points **54%** ▼¹

< 3.5 2.5 **2.5** 3.5 6.5 >

Yes 54¢
No 47¢

Over 39.5 points scored **44%** ▼²

< 33.5 36.5 **39.5** 42.5 45.5 >

Yes 45¢
No 56¢

Props · Touchdowns ▼




🔍

Anytime TD

1st TD

2+ TDs

Who will score a touchdown?

 Nico Collins	39% ▼ ¹	Yes 40¢ No 62¢
 Woody Marks	34%	Yes 34¢ No 67¢
 Kenneth Gainwell	31% ▲ ¹	Yes 31¢ No 70¢

12. Kalshi claims its offerings are legal because they are simply “futures” or “swaps” or “options” intended to hedge financial risks. But Kalshi has admitted there is no sports contracts “serve no commercial purpose at all.” And at this point, many courts across the country have rejected Kalshi’s word play game.

13. In fact, many courts have issued injunctions prohibiting the Kalshi from offering sports “contracts” in their states.

14. Alabama residents, including Plaintiff, regularly gamble large sums of money on Kalshi’s platform based on Kalshi’s misrepresentation that it is legal in Alabama.

15. Kalshi has operated in Alabama for years, raking in tens to hundreds of millions of dollars from Alabama residents, including Plaintiff. In fact, Kalshi is estimated to be valued at \$5 billion, mostly by offering illegal, unregulated, and untaxed sports betting, including in Alabama.

16. Through this action, Plaintiff seeks to enforce Alabama’s strong, constitutional prohibition against sports gambling by permanently enjoining Kalshi from offering its services in Alabama and seeking damages under Alabama’s Loss Recovery Statute.

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