

# Maryland Lottery and Gaming Control Commission

Wes Moore, Governor



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
TTY users call Maryland Relay  
[www.mdlottery.com](http://www.mdlottery.com)

April 7, 2025

Sent via:

U.S. mail restricted delivery

regular U.S. mail, postage prepaid

email to: [kevin.dan@nadex.com](mailto:kevin.dan@nadex.com)

Kevin Dan

Chief Compliance Officer & Chief Regulatory Officer

The North American Derivatives Exchange, Inc. d/b/a Crypto.com

200 West Jackson Blvd., Suite 1400

Chicago, IL 60606

## RE: Notice to Cease and Desist

Dear Mr. Dan:

**By this notice, The North American Derivatives Exchange, Inc. d/b/a Crypto.com (“Crypto.com”) is directed to immediately cease and desist offering in Maryland its “Event Contract” and any other contract or product that provides an investing opportunity based on predicting the outcome of any sporting league play or any sporting event.**

Under Maryland law, a gaming activity is illegal unless it is expressly authorized in the Annotated Code of Maryland, Criminal Law Article (“Crim. Law”), Titles 12 and 13. The Maryland Lottery and Gaming Control Commission (“Commission”) makes the State’s final determination of whether gaming is operating legally. Crim. Law § 12-113. Sports wagering is an authorized gaming activity in Maryland that is legal only if it is offered and conducted as required by the State’s Sports Wagering Law (State Government Article (“SG”) § 9-1E-01, *et seq.*), under which:

- (1) “Sports wagering” means “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.” SG § 9-1E-01(j) (emphasis added). An exchange wager is “a wager in which a bettor wagers with or against another bettor through a sports wagering licensee.” Code of Maryland Regulations (“COMAR”) 36.10.01.02B(24).
- (2) Sports wagering can be legally conducted or offered only by sports wagering licensees (SG § 9-1E-03(b)), that are “mobile sports wagering licensees” (SG § 9-1E-01(e)) or “sports wagering facility licensees” (SG § 9-1E-01(k)), who hold licenses issued by the Commission. The Commission publishes the State’s list of licensed mobile sports wagering and sports wagering facility licensees at <https://www.mdgaming.com/legal-vs-illegal-online-gaming/>.
- (3) “Sporting event” includes most professional, collegiate, Olympic, and international athletic events. SG § 9-1E-01(i).
- (4) Wagers can be placed only on sporting events approved by the Commission. SG § 9-1E-04(b)(6)(ii); COMAR 36.10.14.01. The Commission publishes its catalog of approved wagers at <https://www.mdgaming.com/maryland-sports-wagering/> under “Catalog of Approved Events and Wagers”.
- (5) The Commission is required to ensure that sports wagering in Maryland is conducted legally and account for its proceeds. SG §§ 9-1E-04, 9-1E-12.

Everett D. Browning, Sr., Chair

E. Randolph Marriner, Vice Chair; Commissioners: Ade Adebisi, Diane Croghan, George L. Doetsch, Jr., Harold E. Hodges, James J. Stakem

As described in Crypto.com's December 19, 2024 letter ("Letter") to the U.S. Commodity Futures Trading Commission ("CFTC"), Crypto.com certified "a swap, which is an event contract based on a commercial economic event (the 'Event Contract' or 'Contract')." Letter, p.1. Crypto.com describes the Event Contract in the Letter as pertaining to an "association's final title event... which not only determines which association participant is the title holder of a given association, more importantly title events are massive commercial, entertainment and economic events that have substantial impact on businesses and individuals throughout America depending on many factors." *Id.* at p. 2. Crypto.com defines the association and its participants within the Exhibit to the Letter as "any of the association participants in a given association ('Association'), such as the National Football League, the National Hockey League and the National Collegiate Athletic Association." *Id.* at p.4. Crypto.com's Event Contracts can even pertain to entire season of a sports team, recognizing that "such events are a culmination of a series of events throughout an association's season." *Id.* at p. 2. Crypto.com's Event Contracts are purchased for a fee, "[d]uring the Event Contract trading hours, Members are able to adjust their positions and trade freely" and after Crypto.com "will determine the Expiration Value and whether the Payment Criteria encompasses the Expiration Value (i.e., whether the market outcome is 'Yes' or 'No')." *Id.*

Crypto.com Event Contracts, by their own definition and submission in the Letter, are based on national sporting leagues seasons and games and are purchased based on a prediction or belief that a specific outcome will occur; *i.e.*, that a certain team will win a certain game, title, etc. As described on their website, a member can open a position after going "to the **Sports** tab from the main menu [s]elect an event to view all available contracts and select **Yes** or **No** based on whether you think the relevant outcome will occur." *Getting Started with Sports Event Trading: Opening a position*, April 6, 2025, <https://help.crypto.com/en/articles/10208780-sports-event-trading>. The outcome of a sporting event is the basis for determining whether payment will be made to the purchasers of the Contract. For this reason, the purchase of the Contract is indistinguishable from the act of placing a sports wager.

Crypto.com Event Contracts are currently available for purchase in Maryland at <https://crypto.com/us/sports>. Crypto.com is conducting business in the State of Maryland. However, a search on the State Department of Assessment and Taxation's business entity search for the "North American Derivatives Exchange" name results in a response that "the business name you entered was not found." If in fact Crypto.com is not registered with SDAT, it would be in violation of Business Regulation § 14-113, Annotated Code of Maryland, which requires that "[a] person may not sell or offer to sell any business opportunity in the State or to any prospective buyer in the State unless the business opportunity is registered under this subtitle."

Crypto.com is operating in Maryland and is offering and conducting what is, in fact, wagering on sporting events. However, Crypto.com does not hold a sports wagering license issued by the Commission, its wagers have not been approved by the Commission, and it is not otherwise authorized under Maryland law to offer wagers on sporting events. For reasons that include the foregoing, we direct Crypto.com to immediately cease and desist these illegal offerings in Maryland. Please let us know within 15 days of the date of this letter that Crypto.com has complied with this notice. If there are questions, please contact the Agency's Managing Director of Gaming, Michael Eaton, at [michael.eaton@maryland.gov](mailto:michael.eaton@maryland.gov) or 410-230-8821.

Sincerely,



John A. Martin, Secretary  
Maryland Lottery and Gaming Control Commission

cc: Michael Eaton, Managing Director of Gaming  
Holly Citko, Principal Counsel, Office of the Attorney General of Maryland  
Comptroller's Office of Maryland