

Short answer: no. Tennessee’s report that nine unlicensed operators left the state is an enforcement update, not proof that offshore sports wagering has disappeared. It may show that state pressure can persuade some companies to stop taking wagers from Tennessee residents. It does not establish that every unlicensed site has closed, that residents can no longer reach offshore sportsbooks, or that the same result will follow in other states.

The headline also leaves out an important distinction: a state-licensed sportsbook, an offshore gambling site and a prediction-market platform may all offer sports-related products, but they do not necessarily operate under the same legal framework. The fight over prediction markets—especially event contracts offered by companies such as Kalshi, Robinhood and Crypto.com—has added a federal derivatives-law question to the traditional state gambling-law question.

That distinction matters when reading the phrase “nine unlicensed operators left.” It describes a reported enforcement outcome. It is not a count of all offshore websites, all users, all wagers or all contracts traded.

What “Nine Operators Left” Does—and Doesn’t—Tell Us

Tennessee regulates sports wagering through its state framework. An operator that accepts sports wagers from Tennessee residents without the required state authorization can draw the attention of state regulators. A cease-and-desist letter is one common tool: it tells a company that regulators believe its activity is unlawful and demands that it stop. Depending on the facts and the jurisdiction, agencies may also issue public warnings, seek information, refer matters to law enforcement or pursue other enforcement steps.

If nine companies stopped serving Tennessee after state action, that is evidence of a practical effect. Operators may decide that the legal risk, cost of responding or threat of further action outweighs the value of continuing to take business from the state. But “left” can mean different things. A company might block new customers, close accounts, stop marketing, remove a product from its website or make a more complete exit. Unless the regulator specifies what it counted and how it verified compliance, readers should not assume those actions are identical.

Nor does a state announcement necessarily amount to a live, independent census of every site that remains available. Offshore operators can change domains, use affiliates or modify their payment arrangements. Some may continue to accept customers despite a state’s warning. Others may claim that their product falls outside state gambling law. Those claims do not settle the legal question, but they complicate enforcement.

So the careful takeaway is narrow: Tennessee says its enforcement effort resulted in nine unlicensed operators leaving. That is meaningful. It does not mean that **offshore sportsbooks are no longer operating** or that Tennessee has eliminated access to every unlicensed wagering service.

Three Different Models, Three Different Legal Questions

Type of service	Typical regulatory framework	What to keep in mind
State-licensed sportsbook	State sports-betting statutes, regulations and license conditions	Authorized to operate only where it holds the required approvals and follows local rules.
Offshore sportsbook	May be licensed or registered abroad; may lack authorization in the U.S. state where a customer is located	An offshore license is not the same thing as a Tennessee sports-wagering license.
Prediction-market platform	Potentially federal commodities and derivatives law, alongside state-level challenges	Whether a sports event contract is a regulated derivative or unlawful sports wagering is contested.

State-licensed sportsbooks

A licensed sportsbook operates under a state's sports-betting rules. Those rules can cover who may place a wager, how operators verify location and age, what products are permitted, how disputes are handled and what taxes or fees apply. The license is territorial: approval in one state does not automatically authorize an operator to accept wagers in another.

That system is different from a website merely being accessible in a state. The fact that a customer can open a page, download an app or fund an account does not establish that the operator is licensed to offer sports wagering there.

Offshore sportsbooks

Offshore sites commonly point to a license issued by a non-U.S. jurisdiction. That may describe their status where they are based or licensed. It does not, by itself, answer whether they may lawfully solicit or accept wagers from a person located in Tennessee. State regulators generally assess the activity under the state's own law, including where the customer is located and where the wagering service is offered.

In practical terms, enforcement can be difficult. A state can send notices and pursue legal remedies, but it may have less direct leverage over a business with no local office or assets. Payment providers, advertising channels, app distribution and other intermediaries can become important pressure points. That does not mean every intermediary is automatically liable; it means the enforcement landscape can extend beyond the operator's website.

Prediction markets and event contracts

Prediction markets create a different jurisdictional dispute. Platforms may describe sports products as event contracts: users buy or sell contracts whose value is tied to whether a specified event occurs. Operators argue that certain contracts fall under federal derivatives law, overseen by the Commodity Futures Trading Commission (CFTC), rather than under state sports-gambling statutes.

State regulators may take the opposite view. They can argue that a contract tied to a game functions like a sports wager and therefore requires a state gambling license. The disagreement is not just about product labels. It concerns who has authority, what legal tests apply and whether federal commodities law displaces some state restrictions.

Kalshi has become a prominent name in this debate. Robinhood and Crypto.com have also been associated with sports-related event-contract offerings or plans. Their presence in the conversation does not mean that all three companies offer identical products, hold identical permissions or face identical legal claims. The relevant questions are specific: what contract is being offered, through what entity and venue, to customers in which state, and under what regulatory authority?

The Jurisdiction Fight: State Gambling Law vs. Federal Derivatives Law

The core conflict is easy to summarize and difficult to resolve. States say that sports wagering within their borders is a matter for state gambling law and licensing. Prediction-market operators may say that qualifying event contracts are swaps or derivatives within a federal regulatory framework. The CFTC's role—and the boundaries of that role—can therefore become central.

That does not mean a company can make a product federally regulated simply by calling it a derivative. Regulators and courts look at the applicable statutes, the product's structure and the agency's authority. Conversely, a state label is not automatically decisive if federal law gives a federal regulator authority over the contract at issue. The outcome depends on legal and factual details, not marketing language.

Courts have not produced a universally settled answer for every kind of sports event contract. In some disputes, operators have sought preliminary injunctions—temporary court orders that can pause enforcement while litigation continues. A preliminary injunction is not a final ruling on the merits. It may reflect a judge’s assessment of the parties’ arguments and the risk of harm at an early stage, but the case can continue, the order can be narrowed or reversed, and other courts may reach different conclusions.

This is why it is premature to treat a favorable early ruling for one platform as a nationwide green light. Court decisions can be limited to particular parties, products, states or procedural circumstances. Appeals can change the picture. If federal appeals courts reach conflicting conclusions on a major legal question, that conflict—a circuit split—can increase the likelihood of further appellate review, including possible Supreme Court attention. But a circuit split is a legal development to watch, not a prediction that the Supreme Court will necessarily take a case or resolve every product category.



Why App Stores and Payment Routes Matter

Enforcement campaigns do not stop at formal legal arguments. Regulators may examine how a product reaches customers: its website, app, advertising, payment flows and location controls. Connecticut information requests have referenced app stores, illustrating how state investigators may seek to understand distribution and access. A request for information is not the same as a finding that an app store broke the law. It is a way to gather facts about how services are marketed or made available.

Robinhood’s exchange infrastructure routing event contracts is another reason to look beyond the front-end app. A customer may see one platform, while the contract’s execution, clearing or market access involves a separate venue or infrastructure provider. Those arrangements can matter to the legal analysis: which entity lists the contract, which entity handles execution, what rules govern the venue and which regulator oversees each part?

That is a structural point, not a conclusion that routing through an exchange makes an offering lawful—or unlawful. It is also a reminder that “the app” may not be the whole business. Regulators and courts can examine the underlying transaction chain rather than relying on how a product appears in a user interface.

Payments deserve similar caution. Digital assets and stablecoins do not make funds untouchable: stablecoin issuers may have the ability to freeze tokens in some circumstances, and payment access can be interrupted for

other reasons. But neither payment rails nor app distribution alone answer whether a sports product is legally authorized. They are pieces of the operational picture, not substitutes for a license or a court ruling.

What Tennessee's Update Means for Offshore Sportsbooks Still Operating

For a Tennessee resident, the practical distinction remains: a company's claim that it is licensed somewhere offshore does not establish that it is authorized under Tennessee law. A cease-and-desist campaign can prompt some operators to exit, but enforcement is ongoing work. Sites can remain available, reappear under new branding or continue to contest a regulator's authority.



For the wider market, Tennessee's update is best read as a signal that state regulators are applying pressure—not as proof that the offshore market has been shut down. The same caution applies to headlines that announce a mass exit or an industry "crackdown." Those may describe a real development, but they can also make a limited enforcement result sound more complete than it is.

Fact vs. Inference

- **Reported fact:** Tennessee said nine unlicensed operators left following its enforcement activity.
- **What that supports:** State enforcement can lead some operators to stop serving a state.
- **What it does not establish:** That every offshore sportsbook has stopped taking Tennessee customers, or that every remaining site has been identified.
- **Separate legal question:** Whether a particular event contract falls under state gambling law, federal derivatives law or both in a given dispute.
- **Open issue:** Court orders, appeals and possible circuit conflicts can change the rules, and early injunctions are not final nationwide answers.

Bottom Line

The phrase "nine unlicensed operators left" is worth reporting, but [Additional reading](#) it is not the same as "offshore is done." Tennessee may have achieved a concrete result against nine companies. That result does not

prove that offshore sportsbooks still operating have vanished, nor does it resolve the separate fight over prediction markets and sports event contracts.

For now, keep the categories separate: state-licensed sportsbooks answer to state licensing systems; offshore operators may lack authorization where their customers are located; and prediction markets raise a contested question about the boundary between state gambling law and federal derivatives regulation. Until courts and regulators settle more of that boundary, the clearest reading of Tennessee's update is also the least dramatic: enforcement can make operators leave, but one state's reported exits do not establish that the broader market is gone.