PROPHETX

July 9, 2026

Via CFTC Portal Submissions

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: ProphetX LLC – Amendment Pursuant to CFTC Regulation 40.6(a) — NBA Basketball Futures Contracts

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act (the "Act" or "CEA") and Commission Regulation 40.6(a), ProphetX LLC ("ProphetX" or the "Exchange"), a registered designated contract market ("DCM"), hereby notifies the Commission that it is amending the Settlement Reference Source provision (referred to as "Source Agency" in certain of the Contracts' terms) common to the following families of binary event contracts, each originally self-certified pursuant to Commission Regulation 40.2(a) on June 12, 2026 (collectively, the "Contracts"):

1. NBA Basketball Futures Contracts

This Amendment will take effect 10 business days after certification, on July 24, 2026. The Exchange is making this change to expressly identify National Basketball Association ("NBA"), through NBA.com, as the primary source for settlement purposes in the Settlement Reference Source / Source Agency provision of each of the Contracts, consistent with the reference to NBA and NBA.com already set forth in the general settlement-criteria provisions of each Contract's Appendix A. As currently in effect, the Settlement Reference Source / Source Agency provision of each of the Contracts identifies the primary source only generically, without naming NBA, which the Exchange has determined is inconsistent with, and should be conformed to, the balance of each Contract's terms. The likely impact of this Amendment is improved internal consistency and transparency regarding the source ProphetX will consult to settle the Contracts, with no change to the economic terms, payout structure, or settlement outcome of the Contracts.

This is a straightforward, non-substantive modification to the Settlement Reference Source / Source Agency provision of the Contracts. The changes are as follows:

1. **NBA Basketball Futures Contracts.** The sentence "The primary source for each event is the applicable governing body." is replaced with "The primary source for the applicable event is National Basketball Association ('NBA') through NBA.com, or the official website of the applicable competition." No other change is made to this provision.

2. No other term of the Contracts, including the Underlying, Settlement Criteria, Minimum Tick, Notional Value, Position Accountability Level, or Last Trading Date/Time, is affected by this Amendment.

This submission includes the following:

- A concise description of the Amendment and analysis of its compliance with the Act, Core Principles, and Commission regulations;
- Appendix A-1 and A-1(a) – Clean copy and redline of the amended NBA Basketball Futures Contracts Terms and Conditions;

No substantive opposing views were expressed to the Exchange by its governing board, any committee members, members of the Exchange, or market participants with respect to this Amendment. Pursuant to Commission Regulation 40.6(a), ProphetX certifies that the Amendment complies with the Act and the Commission's regulations thereunder and that this submission has been concurrently posted on the Exchange's website.

/s/ Gabe Wong
Gabe Wong
Chief Regulatory Officer
ProphetX LLC

Concise Description of the Amendment and Analysis of Compliance with the Commodity Exchange Act, Core Principles, and Commission Regulations

I. Introduction

Each of the Contracts is a binary event contract relating to National Basketball Association ("NBA") games, events, or season-long outcomes, as more fully described in ProphetX's original self-certification submissions for the Contracts, dated June 19, 2026.[1]

This Amendment revises only the Settlement Reference Source (or, in certain of the Contracts, "Source Agency") provision of each of the Contracts, as described in the cover letter above. It does not alter the Underlying, Settlement Criteria, Position Accountability Level, Minimum Tick, Notional Value, or any other economic term of the Contracts.

II. Discussion of the Amendment

As currently in effect, the Settlement Reference Source / Source Agency provision of the Contracts identifies the primary settlement source only generically – as "the applicable governing body" – without naming the NBA. This is inconsistent with the general settlement-criteria provisions elsewhere in each Contract's Appendix A, which already provide that, unless otherwise specified, settlement is based on the official classifications, definitions, and tiebreaking rules established by National Basketball Association ("NBA") through NBA.com, or the official website of the applicable competition.

The Amendment resolves this inconsistency by revising the Settlement Reference Source / Source Agency provision of each of the Contracts to expressly identify NBA, through NBA.com, as the primary source (or, for events not conducted directly by NBA, the official website of the applicable competition), consistent with the remainder of each Contract's terms.

This change is administrative and clarifying, not substantive: NBA.com is, and has been, the source ProphetX consults in practice under the general settlement-criteria provisions of each Contract, and the Amendment does not change which source ProphetX will consult, how a Settlement Value is determined, the designated secondary sources (ESPN and The Associated Press), or the Exchange's existing settlement-disruption procedures under Rule 5.2 of the Rulebook.

III. Compliance with Core Principles

ProphetX has concluded that the Amendment is not inconsistent with the Act and the Commission's regulations thereunder, including Core Principle 3 (Contracts Not Readily Susceptible to Manipulation) and Core Principle 7 (Availability of General Information). The Amendment identifies a specific, authoritative, and independent primary source for settlement purposes and thereby increases, rather than reduces, the transparency and predictability of the settlement process, supporting continued compliance with Core Principle 3. Consistent with Core Principle 7, the amended Contract Terms and Conditions will be publicly available on the Exchange's website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that this Amendment complies with the Act and the Commission's regulations thereunder.

[1] The Contracts have not been endorsed by the National Basketball Association, the Office of the Commissioner of the National Basketball Association, or any NBA club. The use of the name "National Basketball Association" is solely for the purpose of identifying the underlying event.

APPENDIX A-1 – CONTRACT TERMS AND CONDITIONS

1. NBA Basketball Futures Contracts

Official Name	“Will <Competitor> achieve <Outcome> in <Season>?”
Underlying	<Competitor> refers to an NBA club, player, or staff member recognized by the National Basketball Association. <Season> refers to the applicable NBA season, as listed on the platform. The Contract references whether <Competitor> achieves the <Outcome> as officially determined by the NBA.
Source Agency	The Settlement Reference Source consists of authoritative, publicly available sources that publish official event results. The primary source for the applicable event is the National Basketball Association (“NBA”) through NBA.com, or the official website of the applicable competition.~~each event is the applicable governing body~~. Secondary sources include ESPN and The Associated Press. If the primary source has not published an official result within a reasonable time following the official determination of the referenced outcome, the Exchange may consult one or more secondary sources. If no Settlement Reference Source has published an official result and a settlement disruption exists, the Exchange may exercise its authority under Exchange Rule 5.2. All Settlement Reference Sources are publicly available, widely disseminated, and independent of the Exchange and its Market Participants. The Exchange may update the designated Settlement Reference Sources by posting notice on its website or trading platform. Any instructions regarding access to a Settlement Reference Source are non-binding and provided solely for convenience.
Settlement Criteria	Resolves to “Yes” if the applicable settlement criteria set forth below has been satisfied and no applicable contingency has been triggered according to the applicable settlement criteria listed below: Unless otherwise specified in the applicable Contract Specifications, all Basketball event contracts listed on ProphetX shall be settled in accordance with the rules set forth in this Chapter. Defined terms used herein have the meanings ascribed to them in the ProphetX Rulebook. References to 'orders' include resting and filled orders as applicable; references to 'settlement' refer to final contract disposition following outcome determination.

A. Overtime. All contracts shall be settled on the result including overtime, unless otherwise stated in the applicable Contract Specifications (e.g., first half or first quarter contracts).

B. Governing Authority. All contracts are offered in accordance with ProphetX's Rulebook and Terms and Conditions. Unless specifically stated or implied in the applicable Contract Specifications, settlement of contracts shall be based on the official classifications, definitions, and tiebreaking rules established by the National Basketball Association ("NBA") through NBA.com, the National Collegiate Athletic Association ("NCAA") through NCAA.com, or the official website of the applicable competition.

C. Scheduling. Dates and start times displayed on the Exchange are provided for informational purposes only and are not guaranteed. Official schedules are as published by the applicable governing body.

D. Tied Results. If, after the completion of overtime, the result remains tied, all orders on the outright event moneyline contract shall be void and collateral shall be returned to the applicable accounts.

1. Period-Specific Contracts. For contracts based on specific quarters or halves, the entire designated period of play must be completed unless the contract outcome has been unequivocally determined prior to that point. Second half contracts include overtime if played.

E. Moneyline Contracts. A Moneyline contract is an event contract in which the outcome is determined by which team wins the referenced event. If the referenced team wins the event, the contract resolves to Yes for that team. Example: a Contract on Basketball Team A to win resolves as Yes if Basketball Team A wins the indicated event.

F. Spread Contracts. A Spread contract is an event contract in which the outcome is determined by whether the chosen team's margin of victory or defeat satisfies the listed Strike once the Spread is applied. In circumstances where the result, after application of the Spread, exactly equals the Strike, all contracts shall be void and collateral shall be returned to the applicable accounts. Example: a contract on Basketball Team A at -3.0 shall be void if Basketball Team A wins by exactly three (3) points (e.g., 80–77, 100–97).

G. Total Points Contracts. A Total Points contract is an event contract in which the outcome is determined by whether the combined final score of the referenced event is over the listed Strike. Contracts shall resolve to Yes if the total exceeds the Strike, to No if the total falls below the Strike, and void if the total exactly equals the Strike. Overtime counts for all full-event total, team total, and Proposition points contracts. Example: a Contract on Over 100 Points shall resolve to Yes if 101 or more points are scored, to No if 99 or fewer points are scored, and void if exactly 100 points are scored.

H. Futures Contracts. A Futures contract is an event contract in which the outcome is determined by whether a specified participant wins or places within a specified position in the final classification of the listed event or competition. Contracts shall be settled based on official results provided by the applicable governing body.

1. **Individual Season Award Futures.** This category includes, but is not limited to, NBA MVP, NBA Rookie of the Year, NBA Rookie Offensive Player of the Year, NBA Rookie Defensive Player of the Year, NBA Offensive Player of the Year, NBA Defensive Player of the Year, NBA Coach of the Year, and all other individual season awards as determined by the relevant voting body directly associated with the league. Settlement for all Individual Award Futures shall be based on the official determination by the relevant league authority.
2. **Special Futures.** Special Futures include, but are not limited to, Series Markets, Playoff Series Markets, Most Regular Season Wins, Make/Miss Playoffs, Player Awards, NCAA Champion, NCAA Final Four, and Draft markets. All Special Futures shall be settled using the official results as published by the applicable governing body (e.g., NBA.com, NCAA.com, or the official competition website).
3. **Make/Miss Playoffs.** Orders shall be settled based on the teams that qualify for the final playoff bracket, after the conclusion of any play-in events or tiebreakers. If the number of teams that qualify for the postseason changes during the course of the season, all orders on this market shall be void and collateral shall be returned to the applicable accounts.
4. **Most Regular Season Wins/Losses.** All NBA teams must complete eighty (80) scheduled regular season events for orders to be settled. If a team does not complete the required number of events, all orders on that team's regular season win or loss markets shall be void and collateral shall be returned to the applicable accounts. In the event two or more teams tie, dead-heat rules apply, unless Ties Included is specified in the market name.

5. **Draft Markets.** All Draft Futures shall be settled using the official Draft results as published by the applicable governing body (e.g., NBA.com, NCAA.com, or the official competition website).

I. Statistics Contracts (Props). Player Statistics contracts and other statistics-based contracts shall be settled according to the official event reports as published after the conclusion of the event by the applicable organizing association. If the official organizing association issues any statistical correction within forty-eight (48) hours of the event's conclusion, affected contracts shall be resettled as necessary.

1. **Single-Event Player and Team Statistics Contracts.** Contracts referencing individual player or team statistics in a single event, or comparing statistics of two individual players during a single event, require all referenced players to be active for that event. If a listed player does not participate, all contracts on that player for the relevant event shall be void and collateral shall be returned to the applicable accounts. Example: Total Points by Player A; which of Player A or Player B will record the most rebounds.
2. **Season Player and Team Statistics Contracts.** All season-long contracts, regardless of whether outcomes arise during a particular period, tournament, regular season, or Playoffs, shall remain valid irrespective of player trades, team movements, name changes, season length changes, or playoff format changes occurring at any point during the season.
3. **Regular Season and Playoff Series Player Statistics Contracts.** For a contract on a player for most points, rebounds, steals, assists, or similar cumulative series statistics, the series must come to a natural conclusion for the contract to be valid. Overtime counts for settlement purposes. A listed player must participate in at least one (1) event in the series for orders to remain active. If a listed player does not take the court during at least one (1) event in the series, all contracts on that player shall be void and collateral shall be returned to the applicable accounts. In the event two or more players tie on the settled statistic, dead-heat rules apply, unless Ties Included is specified in the contract details.
4. **Double-Double and Triple-Double Contracts.** A 'Double-Double' is achieved when a player records ten (10) or more in at least two (2) of the following statistical categories in a single event, including any overtime: Points Scored, Rebounds, Assists, Steals, and Blocked Shots. A 'Triple-Double' is achieved when a player records ten (10) or more in at least three (3) of the

	aforementioned statistical categories in a single event, including any overtime. **J. Absence of Official Statistics or Results.** In the absence of a statistic or result required for the settlement of a specific contract from the official sources listed, another reputable source may be used to support contract settlement. ProphetX reserves the right to resettle contracts should additional official information become available. In the event ProphetX cannot reasonably determine the outcome of a contract, all orders on that contract shall be void and collateral shall be returned to the applicable accounts.
Minimum Tick	$0.01 per Contract.
Notional Value	$1.00 per Contract.
Settlement Value	$1.00 per in-the-money Contract.
Position Accountability Level	25,000 Contracts per Market Participant per strike.
Last Trading Date/Time	Trading closes when the <Competitor> is no longer eligible to achieve the relevant <Outcome> in the <Season> or has achieved the relevant <Outcome> in the <Season> and the result is reflected by the Settlement Reference Source. No new position may be opened after this time.
Expiration Date and Time	The date and time at which the outcome of the Contract becomes determinable based on information published by the Settlement Reference Source with respect to the <Outcome> for the <Season>. The Expiration Date and Time will be adjusted to reflect any change to the NBA's schedule, standings, or postseason format.
Settlement Date	No later than one business day following the Expiration Date, unless the Market Outcome is under review pursuant to applicable Exchange Rules.

Common Provisions: Contracts are issued on a recurring basis corresponding to the NBA season and postseason calendar. The Exchange may list multiple iterations referencing different competitors, titles, and seasons. All Contracts are fully collateralized, cash-settled, and constitute Swaps under the CEA. Settlement determinations are final and irrevocable once effected, subject to Rule 5.2 of the Rulebook. The final Settlement Value and supporting settlement information for each Contract will be publicly posted on the Exchange's website following settlement.

APPENDIX A-1(a) – CONTRACT TERMS AND CONDITIONS

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Official Name	"Will <Competitor> achieve <Outcome> in <Season>?"
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	J. Absence of Official Statistics or Results. In the absence of a statistic or result required for the settlement of a specific contract from the official sources listed, another reputable source may be used to support contract settlement. ProphetX reserves the right to resettle contracts should additional official information become available. In the event ProphetX cannot reasonably determine the outcome of a contract, all orders on that contract shall be void and collateral shall be returned to the applicable accounts.
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