October 8, 2026

SUBMITTED VIA CFTC PORTAL

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 — Self-Certification of Amendments to ProphetX Rulebook Rule 4.6 (Trade Cancellations and Error Trades)

Dear Sir or Madam,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act (the "CEA") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), ProphetX LLC ("ProphetX" or the "Exchange"), a Commission-registered designated contract market, hereby certifies the amendments to its Rulebook described herein (the "Rule Amendment"). The Rule Amendment revises Rule 4.6 (Trade Cancellations and Error Trades) to: (i) widen the No-Cancellation Range in Rule 4.6(d) from fifteen percent (15%) to forty percent (40%) above and below Fair Market Value; and (ii) delete Rule 4.6(g)(3), which permitted cancellation of a Trade entered after the underlying occurrence was already determined. The Rule Amendment will become effective on October 23, 2026, which is no earlier than ten (10) business days following the date of this submission.

ProphetX operates a fully-collateralized, disintermediated central limit order book on which Market Participants trade cash-settled, event-based Contracts. Contract prices are bounded between $0.00 and $1.00 and move in large, discontinuous increments as discrete items of information arrive such as a scoring play, an injury, an official ruling, a data release. Movements of a magnitude that would be aberrant in a conventional futures market are ordinary and expected in event contract markets. The Rule Amendment conforms the Exchange's error-trade framework to that price behavior and to prevailing practice among prediction market venues.

Amendment to Rule 4.6(d) — No-Cancellation Range

A fifteen percent (15%) band is too narrow to distinguish erroneous prices from bona fide trading on new information. A Contract fairly valued at $0.20 carries a Range of approximately $0.17 to $0.23, though a single play, ruling, or data release can move it to $0.60 or beyond within seconds. Applied to the Contracts listed on the Exchange, that band would subject a substantial volume of legitimate, information-driven trading to discretionary review. The forty percent (40%) Range calibrates the Exchange's error-trade authority to observed volatility, reserves cancellation for genuinely aberrant prices, and increases the finality of execution. Trades outside the Range remain subject to cancellation or adjustment at the Exchange's sole discretion, and Rule 4.6(a) continues to authorize the Exchange to act on any Trade, without regard to the Range, where necessary to maintain market integrity, correct errors, respond to extraordinary circumstances, or remedy malfunctions.

Deletion of Rule 4.6(g)(3)

Absent a halt or suspension under the Rules, Contracts remain available for trading through the applicable trading period specified in the Contract Specifications. As information concerning an

underlying occurrence becomes increasingly conclusive, prices may converge toward $0.00 or $1.00. Such convergence is an ordinary feature of price discovery and does not, standing alone, render a Trade erroneous. Former Rule 4.6(g)(3) permitted the Exchange to cancel or modify a Trade based solely on a retrospective determination that the underlying occurrence had already been "determined." In rapidly resolving markets, however, there may be no single objectively identifiable moment at which an occurrence becomes determined, particularly where official confirmation, review, correction, or the applicable settlement criteria may lag information already reflected in market prices. The provision therefore introduced unnecessary hindsight and uncertainty into the treatment of otherwise valid executions.

Deletion of Rule 4.6(g)(3) does not diminish the Exchange's authority to address genuine error, malfunction, manipulation, or abusive conduct. Rule 4.6(a) continues to authorize the Exchange to cancel or modify Trades as necessary to maintain market integrity, correct errors, respond to extraordinary circumstances, or remedy system or data-feed malfunctions, and the remaining provisions of Rule 4.6(g) separately address materially inconsistent prices; incorrect participants, identifiers, selections, or terms; technical, connectivity, or data-feed malfunctions; human or system error; suspected manipulative, collusive, or abusive conduct; and egregiously mistaken or unfair terms. The Exchange also retains its Emergency authority under Rule 2.8, including authority to suspend or limit trading, and the protections of Rule 4.12 against manipulative, fraudulent, noncompetitive, and disruptive conduct. Accordingly, deletion of Rule 4.6(g)(3) removes a subjective, outcome-based cancellation ground without impairing the Exchange's ability to protect market integrity or correct bona fide errors.

Core Principles and Certification

ProphetX has reviewed the designated contract market Core Principles set forth in Section 5(d) of the CEA and the Commission's regulations thereunder and has concluded that the Rule Amendment is consistent with, and does not violate, the CEA and the Commission's regulations. The Rule Amendment most directly implicates Core Principle 2 (Compliance with Rules); Core Principle 3 (Contracts Not Readily Susceptible to Manipulation); Core Principle 4 (Prevention of Market Disruption); Core Principle 7 (Availability of General Information); Core Principle 9 (Execution of Transactions); and Core Principle 12 (Protection of Markets and Market Participants). A Core Principle analysis is provided in Appendix C.

ProphetX did not receive any substantive opposing views with respect to the Rule Amendment from Market Participants, Exchange staff, or any other interested party.

Pursuant to Section 5c(c)(1) of the CEA and CFTC Regulation 40.6(a), ProphetX hereby certifies that the Rule Amendment complies with the CEA and the Commission's regulations promulgated thereunder. ProphetX further certifies that, concurrent with this submission, a copy of this submission and the certification have been posted on the Exchange's website and may be accessed at https://www.prophetx.co/lobby/t-c/filings.

The following materials accompany this submission:

Appendix A – Public version of the amended ProphetX Rulebook, Version 4.0 (clean).

Appendix B – Redlined version of the amended ProphetX Rulebook, Version 4.0 (showing changes to Rule 4.6).

Appendix C – Core Principle Analysis (confidential).

FOIA Letter.

Please let me know if you have any questions or requests for further information regarding this submission.

Best,

/s/ Gabe Wong

Gabe Wong
Chief Regulatory Officer
ProphetX LLC
gabe.wong@prophetexchange.com

APPENDIX A

PUBLIC VERSION OF THE AMENDED RULEBOOK

Appendix A consists of the ProphetX LLC Rulebook, Version 4.0, effective October 23, 2026, in clean form, reflecting Rule 4.6 (Trade Cancellations and Error Trades) as amended by the Rule Amendment. The only provisions changed by the Rule Amendment are within Rule 4.6. All other provisions are unchanged from Version 3.0 and are reproduced for context.

[ProphetX LLC Rulebook, Version 4.0 (clean) follows this cover page.]

reconstruct RFQ activity and related Transactions in accordance with Applicable Law, the Commodity Exchange Act, and CFTC Regulations, including CFTC Regulation 38.256.

RULE 4.5: ORDER ENTRY, MODIFICATION, AND CANCELLATION

(a) A Market Participant enters Orders by electronic transmission over the Internet. Once an Order is accepted by the Exchange, the Exchange assigns an Order ID, which appears on the Market Participant's Order Entry Record. The Market Participant is responsible for all Orders confirmed for its account and accepted by the Exchange.

(b) Any Order may be modified or cancelled until it has been executed. ProphetX DCM will attempt to cancel an Order as soon as possible after receiving a valid cancellation instruction; however, an Order may be executed before cancellation is processed. A Market Participant may cancel only the unfilled portion of a partially filled Order.

(c) Each Market Participant is solely responsible for verifying the accuracy of any Order submitted to the Exchange. The Exchange accepts no responsibility for errors in submission of Orders or for a Market Participant's external positions, strategies, or arbitrage activity involving other trading platforms or markets.

RULE 4.6: TRADE CANCELLATIONS AND ERROR TRADES

(a) The Exchange may, in its sole and absolute discretion, review any Trade or Trades and adjust prices, cancel, void, resettle, or otherwise modify such Trades as necessary to maintain market integrity, correct errors, respond to extraordinary circumstances, or remedy malfunctions on the Platform or in external systems or data feeds.

(b) ProphetX DCM may review a Trade based on its own analysis or upon a timely request by a Market Participant or third party. A request must be received no later than fifteen (15) minutes after execution of the Trade and before any applicable final settlement or expiration, provided, however, that the ProphetX DCM may, in its sole discretion, apply such other period or accept a request received after the fifteen (15) minute period. ProphetX DCM will promptly determine whether the Trade is subject to review and, if so, will post notice that the Trade is under review.

(c) [Reserved]

(d) During review, ProphetX DCM will determine a fair market value for the Contract at the time of the questioned Trade using prevailing market data and any other relevant information. A range equal to forty percent (40%) above and below Fair Market Value (the "No-Cancellation Range") will generally be applied, subject to a Contract's specific terms and conditions. Trades within the No- Cancellation

Range will not be cancelled or adjusted; Trades outside the No-Cancellation Range may be cancelled or adjusted at ProphetX DCM's sole discretion.

(e) ProphetX DCM may consider subsequent Trades between the counterparties when determining adjusted values in order to ensure fair and equitable outcomes.

(f) Erroneous Trades between Market Participants who have been granted access to advanced API functionality may, in ProphetX DCM's sole discretion, qualify as extraordinary circumstances under this Rule if caused by an automated trading malfunction despite reasonable safeguards.

(g) Without limitation, ProphetX DCM may cancel, resettle, modify, or adjust a Trade where it determines, in its sole discretion, that:

(1) The price was materially inconsistent with prevailing market conditions at the time;

(2) Incorrect participants, identifiers, selections, or terms were used;

(3) [Reserved];

(4) A technical, connectivity, or data-feed malfunction occurred;

(5) Mispricing resulted from human or system error, including fat-finger entries;

(6) Suspicious, manipulative, collusive, or abusive conduct is suspected; or;

(7) Any circumstance rendered the terms egregiously mistaken or unfair.

(h) All determinations made by the Exchange under this Rule are final and binding on all Market Participants. The Exchange will (1) notify interested Market Participants and (2) may publish its decision on the Exchange's website. Participants shall have no claim against the Exchange or other Market Participants with respect to any cancellation, adjustment, modification, or resettlement made under this Rule.

(i) The Exchange will document all review requests, the review steps taken, outcomes, and any action(s) taken in response, including its resolution.

(j) Any attempt to misuse or abuse the Exchange's error, cancellation, or review processes may result in sanctions, including suspension or closure of an account, in addition to any other actions permitted under these Rules.

RULE 4.7: DISPUTED ORDERS (SYSTEM REVIEWS)

(a) If a Market Participant believes an Order was incorrectly executed or rejected by the Platform, the Market Participant may request a review by providing the Order's confirmation number and the grounds for the dispute. A request must be received no later than fifteen (15) minutes after execution or rejection and before any applicable final settlement or expiration.

(b) Upon receipt, ProphetX DCM will review its electronic audit trail to determine whether the trading system correctly interpreted and executed or rejected the Order.

(c) If ProphetX DCM determines that the trading system made a mistake, ProphetX DCM will cancel the affected Trade and restore all relevant accounts to their state immediately prior to execution.

(d) If ProphetX DCM determines that the system did not err, ProphetX DCM will inform the requesting Market Participant of its determination, provide supporting evidence, and state that no adjustment will be made.

(e) A Market Participant may appeal a determination under paragraph (d) to an Exchange Compliance Officer via the address provided on the Exchange website. The appeal must respond to the evidence provided under paragraph (d). The Compliance Officer will decide the appeal no later than ten (10) business days after receipt, and that decision will be final.

(f) ProphetX DCM will document all review requests, the review steps taken, outcomes, and any actions in response, including any appeal and its resolution.

(g) The Exchange's books and records, including the electronic audit trail, shall be the final and conclusive evidence of all Transactions and system handling determinations under this Rule.

RULE 4.8: HOURS OF OPERATION

Market Participants may place Orders at all times outside of maintenance windows. At launch, the Exchange anticipates that trading on the Platform will generally be available twenty-four (24) hours per day, seven (7) days per week, except during scheduled maintenance windows, Emergency actions taken pursuant to Rule 2.8, or other periods where trading is suspended, halted, or limited pursuant to these Rules or Applicable Law. Maintenance windows will be announced in advance by the Exchange other than unscheduled maintenance, which will be announced by the Exchange as soon as practicable. Such announcements will be published on the Exchange's website.

RULE 4.9: MARKET DATA VISIBILITY

(a) ProphetX DCM will, at all times, allow Market Participants to view the current best bid and offer, open interest, trade volume, and order-book depth.

APPENDIX B

REDLINED VERSION OF THE AMENDED RULEBOOK

Appendix B consists of the ProphetX LLC Rulebook, Version 4.0, effective October 23, 2026, in redlined form, showing the changes made by the Rule Amendment against Version 3.0 of the Rulebook, effective July 29, 2026.

Additions are shown as double-underlined text (example). Deletions are shown as struck-through text (~~example~~). The only provisions changed are within Rule 4.6 (Trade Cancellations and Error Trades), summarized below. All other provisions are unchanged from Version 3.0 and are reproduced for context.

Provision	Prior Text (Version 3.0)	Change Made (Version 4.0)
Rule 4.6(d)	Prior text: a range equal to "fifteen percent (15%)" above and below Fair Market Value.	Changed to "forty percent (40%)" above and below Fair Market Value. No other change to the subsection.
Rule 4.6(g)(3)	Prior text: "The Trade was entered after the underlying occurrence was already determined;"	Text deleted; subsection marked "[Reserved]." Subsections 4.6(g)(1), (2), and (4) through (7) are unchanged.

[ProphetX LLC Rulebook, Version 4.0 (redlined) follows this cover page.]

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