PROPHETX

September 2, 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 - Certification Pursuant to CFTC Regulation 40.2(a): "Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?" Event Contract

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act (the "Act" or "CEA") and Commission Regulation 40.2(a), ProphetX LLC ("ProphetX" or the "Exchange"), a designated contract market ("DCM"), hereby notifies the Commission that it intends to list "Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?" Event Contract. The Contract will be listed no earlier than one business day following the Commission's receipt of this submission.

Consistent with CFTC Staff Letter No. 26-08 (March 12, 2026) and CFTC Staff Letter No. 26-22 (July 24, 2026), the Exchange submits this Contract as a single, specific event contract identifying one named political party, one named Chamber of the Congress of the United States, one identified general election, and one identified settlement procedure, rather than as a Broad Template Certification. The Exchange intends to rely on this certification as the referenced contract for a subsequent event contract series certification to be filed pursuant to 17 C.F.R. § 40.2(d), covering the Democratic Party and the Republican Party, both Chambers of the Congress of the United States, and subsequent general elections.

This submission includes the following:

- A concise explanation and analysis of the Contract;
- The Exchange's certification of compliance with the Act and Commission regulations;
- Appendix A – Contract Terms and Conditions;
- Appendix B – Trading Prohibitions; and
- Confidential Appendices C and D, submitted under FOIA confidential treatment pursuant to 17 C.F.R. § 145, containing the Core Principle compliance analysis and the full Appendix C to Part 38 demonstration.

Pursuant to Commission Regulation 40.2, ProphetX certifies that the Contract complies with the Act and the Commission's regulations thereunder and that this submission, excluding portions subject to confidential treatment, has been concurrently posted on the Exchange's website.

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

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

I. Introduction

The Contract is a binary event contract relating to whether a named political party is declared to have won control of a named Chamber of the Congress of the United States at a named general election.[1] The Contract does not permit any additional parameters, iterations, or permutations. The Exchange intends to separately submit a certification pursuant to 17 C.F.R. § 40.2(d) that references this Contract as the basis for an event contract series covering the Democratic Party and the Republican Party, both Chambers of the Congress of the United States, and subsequent general elections, in each case sharing an identical settlement source and methodology with this Contract.

This Contract settles in cash with a notional value of $1.00. A Contract resolves “Yes” if: the named Party is declared to have won control of the referenced Chamber at the general election held on the Election Date. The full contract terms and conditions are set out in Appendix A.

Pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.2(a), ProphetX certifies that the listing of the Contract complies with the Act and the Commission’s regulations thereunder. A Core Principle compliance analysis is included in Confidential Appendix C. A demonstration of compliance with Appendix C to Part 38 of the Commission’s regulations, including the occurrence integrity assessment, settlement methodology verification, conclusion statement, and supporting documentation, is included in Confidential Appendix D.

II. General Contract Terms

This Contract has a $1.00 notional value and a $0.01 minimum price fluctuation. Contracts may only be listed at prices between $0.01 and $0.99. The payout structure is binary: the “Yes” side of an in-the-money Contract receives $1.00 at settlement and the “No” side receives nothing, save where the Contract is settled at the Last Traded Price in accordance with Appendix A, in which case the “Yes” side receives the Last Traded Price and the “No” side receives $1.00 less the Last Traded Price. All Contracts are fully collateralized: no Market Participant may hold a position that creates an exposure in excess of funds on deposit in its Exchange account, consistent with Rules 5.1(b) and 7.3(a) of the Rulebook. Trading is available outside of announced maintenance windows. Fees are assessed in accordance with Rule 3.6 of the Rulebook.

Settlement is determined from the Declaration published by the Settlement Reference Source. Trading continues until that Declaration is published, and Markets are settled thereafter, with “Yes” position holders and “No” position holders paid in accordance with the applicable Payout Criterion.

Market Participants are screened on an ongoing basis by the Exchange’s third-party customer due diligence provider, including against politically exposed persons data, and are subject to the trading prohibitions set out in Appendix B.

[1] The Contract has not been endorsed by The Associated Press or Decision Desk HQ, neither of which is a party to it. The use of those names is solely for the purpose of identifying the settlement source.

APPENDIX A – CONTRACT TERMS AND CONDITIONS

1. "Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?"

Official Name	"Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?"
Underlying	The Underlying for the Contract is whether the Republican Party is declared to have won control of the Chamber at the general election held on the Election Date. "Chamber" means the United States House of Representatives. "Party" means the Republican Party. "Election Date" means November 3, 2026, being the date of the general election at which members of the Chamber are elected. "Declaration" means a published statement by the applicable Settlement Reference Source that an identified political party has won control of the Chamber at the general election held on the Election Date. "Declaration Time" means the time at which a Declaration is first published. "Last Traded Price" means the price of the last transaction executed in the Contract on the Exchange, expressed in increments of $0.01.
Settlement Reference Source	The Settlement Reference Source consists of two publicly available sources, applied in the following order of priority. The primary source is the control declarations published by The Associated Press (https://apnews.com). The secondary source is the control calls published by Decision Desk HQ (https://www.decisiondeskhq.com), and is consulted solely where the primary source has published no Declaration for the Chamber and the Election Date on or before 11:59:59 p.m. Eastern Time on the tenth day following the Election Date (the "Secondary Source Trigger"). Where both sources have published Declarations identifying different Parties as having won control, the Declaration published by the primary source governs, and the Expiration Date and Time is recomputed from the Declaration Time of that Declaration, subject to the Final Cutoff. No source other than the two identified is consulted for any purpose. The Exchange exercises no election, discretion, or judgment as to which source applies: the secondary source is consulted only upon the single objective condition stated above, and conflicts are resolved by the stated priority rule. Neither source is licensed by, affiliated with, or under any contractual arrangement with the Exchange. Both sources publish Declarations publicly, are widely disseminated, and are independent of the Exchange and its Market Participants. Any instructions regarding access to a Settlement Reference Source are non-binding and provided solely for convenience.
Settlement Criteria	Resolves to "Yes" if the Settlement Reference Source has published a Declaration identifying the Party as having won control of the Chamber at the general election held on the Election Date, as at the Expiration Date and Time, and no applicable contingency has been triggered according to the Settlement Criteria listed below (the "Payout Criterion"). Resolves to "No" in every other

	case, including where the Settlement Reference Source has published a Declaration identifying a political party other than the Party. A. Method of Determination Not Applied. The Contract settles solely according to whether the Settlement Reference Source has declared the referenced outcome. The manner in which the Settlement Reference Source determines control of a Chamber — including the number of seats constituting a majority of that Chamber, the treatment of members who are not affiliated with a Party but who have announced an intention to caucus with one, and any other constitutional or procedural mechanism bearing upon which Party holds a majority in that Chamber — is not applied by the Exchange and does not enter the settlement determination. B. Revised or Withdrawn Declarations. If, before the Expiration Date and Time, the Settlement Reference Source withdraws a Declaration or publishes a revised Declaration identifying a different Party as having won control, the withdrawal or revision governs and the Expiration Date and Time is recomputed from the Declaration Time of the revised Declaration, subject to the Final Cutoff. A Declaration published or revised after the Expiration Date and Time does not affect settlement. C. Recounts, Runoffs and Undetermined Seats. No separate rule applies. The Settlement Reference Source may declare that a Party has won control while individual seats remain uncalled, subject to recount or contest, or subject to a runoff election, where the seats remaining are insufficient to alter the outcome. Equally, where the seats remaining are sufficient to alter the outcome, no Declaration is published and the Contract remains open until a Declaration is published or the Final Cutoff is reached. The death, withdrawal or disqualification of a candidate for any individual seat gives rise to no separate rule. D. Events Following the Expiration Date and Time. Settlement turns solely on the Declaration as at the Expiration Date and Time. The death, resignation, expulsion or disqualification of a member or member-elect, a change in a member's party affiliation or announced caucus, a refusal to seat a person declared elected, a vacancy arising before or after a Chamber convenes, and any special election to fill such a vacancy, do not affect settlement. E. No Discretion. The Exchange applies the determination set forth under "Underlying" without adjustment. The Exchange does not count seats, survey, poll, estimate, or otherwise generate the underlying data, and does not substitute its own determination for that of the Settlement Reference Source. F. Absence of a Declaration by the Primary Source. Where the primary source has published no Declaration on or before the Secondary Source Trigger, the outcome is determined by reference to the first Declaration published by the secondary source on or before the Final Cutoff, subject to paragraph B where the primary source publishes a Declaration before the Expiration Date and Time. G. Absence of Any Declaration. If neither Settlement Reference Source has published a Declaration on or before the Final Cutoff, that absence constitutes a Settlement Disruption within the meaning of Rule 5.2(b). The Contract settles at the Last Traded Price in accordance with Rule 5.2(c)(1): the holder of a Yes position receives the Last Traded Price and the holder of a No position receives $1.00 less the Last Traded Price. Where no transaction has

	been executed in the Contract at any time, no position in the Contract is outstanding and no settlement is required.
Minimum Tick	$0.01 per Contract.
Notional Value	$1.00 per Contract.
Settlement Value	$1.00 per in-the-money Contract, save where the Contract is settled at the Last Traded Price pursuant to paragraph G of the Settlement Criteria.
Position Accountability Level	25,000 Contracts per Market Participant per Contract.
Price Limits	None. Contracts may be listed and traded only at prices between $0.01 and $0.99.
Last Trading Date/Time	Trading continues until the first Declaration is published by either Settlement Reference Source, being the point at which the outcome of the Contract becomes publicly determinable. No order may be entered and no position may be opened after that time. Where a Declaration is withdrawn before the Expiration Date and Time, trading resumes and continues until the publication of a further Declaration or the Final Cutoff, whichever is earlier.
Expiration Date and Time	Where the outcome is determined by reference to a Declaration published by the primary source, 5:00 p.m. Eastern Time on the business day following that Declaration Time. Where the outcome is determined by reference to a Declaration published by the secondary source pursuant to paragraph F of the Settlement Criteria, 5:00 p.m. Eastern Time on the business day following the later of the Secondary Source Trigger and that Declaration Time. Where the Contract is settled at the Last Traded Price pursuant to paragraph G of the Settlement Criteria, the Final Cutoff.
Final Cutoff	11:59:59 p.m. Eastern Time on the first anniversary of the Election Date. The Exchange has set a one-year outer boundary in recognition that control of a Chamber may remain undetermined for an extended period, as occurred following the November 3, 2020 elections, where control of the Senate was not determined until the Georgia runoff elections held on January 5, 2021.
Settlement Date	No later than one business day following the Expiration Date and Time, unless the settlement of the Contract is subject to review, or to a Settlement Disruption, pursuant to Rule 5.2.

Common Provisions: The Contract is fully collateralized, cash-settled, and constitutes a Swap under the CEA. Trading closes upon the outcome of the Contract becoming determinable from the Settlement Reference Source or, where no Declaration is published, at the Final Cutoff. Orders submitted after the underlying elections have commenced may be subject to a time delay in accordance with Rule 4.3(j). 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 the Contract, including the Declaration relied upon and its Declaration Time, will be publicly posted on the Exchange's website following settlement.

APPENDIX B – TRADING PROHIBITIONS

In addition to the general prohibition on trading while in possession of material non-public information set forth in Exchange Rule 4.12, the following persons are prohibited from trading "Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?":

- Officers, employees and contractors of a Settlement Reference Source engaged in the collection of vote count data, the operation of a decision desk, or the preparation or publication of race declarations, race calls or control declarations, and any other person with access to such information before its publication;
- Any person with access to non-public exit poll, voter survey, or pre-release polling data relating to elections to a Chamber, until such data has been publicly disseminated;
- Officers, directors and employees of a national political party committee, and of any national congressional or senatorial campaign committee of a political party, in each case during the applicable election cycle;
- Officers and employees of the office of a chief election official of a State, and of any State, county or municipal election authority, in each case having responsibility for the administration, tabulation, canvass or certification of an election to a Chamber, where that person has access to unpublished tabulation for a seat that has not been declared and that is capable of altering the outcome referenced by the Contract;
- Any candidate for election to a Chamber at the applicable general election, and the officers, employees, consultants and retained vendors of any campaign committee organized to support or oppose such a candidate, in each case where that person has access to material non-public information capable of altering the outcome referenced by the Contract;
- Any person in possession of material non-public information relating to the outcome referenced by the Contract, until such information has been publicly disseminated; and
- Immediate family members and household members of any person described above, including spouses, domestic partners, parents, children, and siblings.

Directors, officers, and employees of the Exchange are prohibited from trading "Will the Republican Party win control of the U.S. House of Representatives in the 2026 elections?". Any Director, officer, or employee of the Exchange holding a position with, or providing services to, a national political party committee or a national congressional or senatorial campaign committee must disclose that relationship to the Exchange and is subject to recusal from any decision relating to the affected Contracts.

The Exchange may impose additional trading restrictions or prohibitions where necessary to protect market integrity and deter the misuse of material non-public information.