

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 of an Event Contract Series Pursuant to CFTC Regulation 40.2(d) — U.S. Senate Election Winner Contracts

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act (the “Act” or “CEA”) and Commission Regulation 40.2(d), ProphetX LLC (“ProphetX” or the “Exchange”), a registered designated contract market (“DCM”), hereby certifies a class of binary event contracts referencing whether a named individual is declared elected to the office of United States Senator representing a State (the “Contracts”). The Contracts are represented in the form of **“Will <Candidate> win the U.S. Senate election in <Jurisdiction> on <Election Date>?”** The Contracts will be listed no earlier than one business day following the Commission’s receipt of this submission.

The certified class is limited to a single office: United States Senator. The Contracts within the certified class differ from one another in four respects only: the Candidate, the Jurisdiction, the Term, and the Election Date. Every Contract within the class relies on an identical settlement procedure and an identical formula, procedure, and methodology for determining the outcome and the resulting payment obligations.

This certification references the following contract (the “Referenced Contract”), previously self-certified by the Exchange pursuant to 17 C.F.R. § 40.2(a):

- Official Product Name: **“Will James Talarico win the U.S. Senate election in Texas on November 3, 2026?”**; and
- Official Receipt Date: September 2, 2026.

This submission includes the following:

- A concise explanation and analysis of the Contracts, including the Exchange’s analysis under Commission Regulation 40.2(d)(1)(i)–(iv);
- The Exchange’s certification of compliance with the Act and Commission regulations;
- Appendix A – Contract Terms and Conditions; and
- Appendix B – Trading Prohibitions.

The Core Principle compliance analysis and the demonstration of compliance with Appendix C to Part 38 applicable to the Contracts were submitted to the Commission with the Referenced Contract certification as Confidential Appendices C and D thereto, under a request for

confidential treatment pursuant to 17 C.F.R. § 145. Because every Contract within the certified class relies on the identical settlement source, formula, procedure, and methodology analyzed in those appendices, and differs only as to Candidate, Office, Jurisdiction, Term, and Election Date, those materials apply without modification to each Contract within the class and are incorporated in this submission by reference. The Exchange will furnish them again, or any further evidence, information, or data, on request.

Pursuant to Commission Regulation 40.2, ProphetX certifies that the Contracts comply 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 Contracts and Analysis of Compliance with the Commodity Exchange Act, Core Principles, and Commission Regulations

I. Introduction

The Contracts are binary event contracts relating to whether a named individual is declared elected to the office of United States Senator representing a State.¹ Each Contract settles in cash with a notional value of \$1.00. A Contract resolves “Yes” if: the named Candidate is declared elected to the referenced Office. 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(d), ProphetX certifies that the listing of the Contracts complies with the Act and the Commission’s regulations thereunder. A Core Principle compliance analysis is included in Confidential Appendix C to the Referenced Contract certification. 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 thereto.

II. Compliance with Commission Regulation 40.2(d)(1)

Commission Regulation 40.2(d)(1) permits a designated contract market to certify a class of swaps in a single submission where each swap within the class satisfies the four conditions set out in paragraphs (i) through (iv). The Exchange addresses each below.

(i) Excluded commodity. Each Contract within the class is based upon an excluded commodity of the kind specified in § 40.2(d)(1), namely an excluded commodity as defined in Section 1a(19)(iv) of the Act — an occurrence, extent of an occurrence, or contingency, other than a change in the price, rate, value, or level of a commodity not described in Section 1a(19)(i). The filling of an elective office in the United States is an occurrence of that character: it is determined by votes cast by an electorate and administered by public officials under law, it is beyond the control of the parties to the Contract, and it is associated with a financial, commercial, and economic consequence, the occupant of an elective office holding authority over taxation, expenditure, regulation, and other matters bearing directly on commercial and economic activity.

(ii) Identical pricing source, formula, procedure, and methodology. Every Contract within the class settles by reference to the same Settlement Reference Source, accessed by the same means, in the same order of priority, as specified in Appendix A: the election race declarations published by The Associated Press as primary source, and the election race calls published by Decision Desk HQ as secondary source, consulted solely where the primary source has published no Declaration for the Office, Jurisdiction and Term on or before the Secondary Source Trigger stated in Appendix A. Where both sources have published Declarations identifying different persons as elected, the Declaration published by the primary source governs. The same two-step procedure, and the same priority rule, are applied to every Contract within the class. The Exchange makes no election among sources and exercises no judgment as to which source applies to any Contract; the secondary source is consulted only

upon a single objective condition, and conflicts are resolved by a stated rule, each of which is externally observable and identical for every Contract in the class. The procedure is closed: no source other than the two identified is consulted for any purpose. Every Contract applies the same formula — the Contract resolves “Yes” if the Settlement Reference Source has published a Declaration identifying the named Candidate as elected to the specified Office in the specified Jurisdiction for the specified Term, and “No” in every other case — and payment obligations follow mechanically: \$1.00 to the Yes side of an in-the-money Contract, nothing to the No side.

The formula does not reference the method by which any Jurisdiction determines its winner. Elections to the Office are conducted under State law, and the States determine the winner of a United States Senate election by differing procedures, including plurality, majority with runoff, and ranked-choice tabulation. Those procedures are anterior to the settlement formula. They govern how a Jurisdiction arrives at the person it elects; they do not enter the Exchange’s determination, which begins and ends with whether the identified source has declared that a named person was elected. Every election within the class produces exactly one person elected to the Office. The set of possible outcomes is therefore identical across the class, and the formula requires no branch, alternative computation, or jurisdiction-specific rule. The Exchange notes the distinction drawn in CFTC Staff Letter No. 26-22 between a class certification covering matches in a single tournament and one purporting to cover matches across competitions whose rules differ, where the possibility of a draw in one competition and not in the other produces a different settlement outcome space and therefore a different methodology. No comparable divergence exists here.

(iii) Identity with a previously certified product. The pricing source, formula, procedure, and methodology applied by each Contract within the class are identical to those of the Referenced Contract, which is the Exchange’s own prior filing, self-certified pursuant to 17 C.F.R. § 40.2(a) and identified above by Official Product Name and Official Receipt Date. The Referenced Contract is a single, specific event contract identifying one named candidate, one office, one jurisdiction, one term, and one identified settlement procedure, and is not itself a template or class certification. The demonstration of compliance with Appendix C to Part 38 submitted with the Referenced Contract analyzes the reliability, objectivity, timeliness, commercial acceptability, and manipulation resistance of both Settlement Reference Sources as such, and the determination applied to their published Declarations; that analysis applies without modification to each Contract within the class.

(iv) Identical currency. Each Contract within the class is based upon an excluded commodity involving an identical currency. All prices, collateral, and payment obligations are denominated in United States dollars.

III. Scope and Limits of the Certified Class

The certified class is limited to Contracts referencing whether a named individual is declared elected to the office of United States Senator representing a single State, for a single Term, settled by the procedure and formula set out in Appendix A. The Exchange will not list under this certification any Contract that references an election held outside the United States; references any office other than United States Senator, including the Office of President of the United

States, United States Representative, Governor of a State, or Mayor of a municipality; references a primary election, party caucus, party convention, or any other nominating contest; references a ballot measure, referendum, initiative, recall question, retention question, or any question other than the filling of an elective Office; references an Office filled by appointment, by legislative election, by succession, or by any means other than popular election; references the appointment of a United States Senator to fill a vacancy, as distinct from election to the Office; references the composition or control of a legislative body, the number of seats held by any party, or the aggregate result of elections to more than one Office; references an Office, Jurisdiction and Term for which neither Settlement Reference Source publishes Declarations; or applies any different source, formula, procedure, or methodology for determining the outcome or the resulting payment obligations.

The certified class includes Contracts referencing special elections to the Office. The Term identified in the Contract Terms distinguishes a special election from any concurrent regular election for the same Office in the same Jurisdiction, and the settlement source, formula, procedure, and methodology are unchanged.

The Exchange acknowledges that, pursuant to § 40.2(d)(2), the Commission may require the Exchange to withdraw this certification and to submit each individual Contract, or certain individual Contracts, within it for review under § 40.2 or § 40.3.

IV. General Contract Terms

Each 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, and save where the Contract is settled at the Last Traded Price upon the death of a candidate in accordance with Appendix A. 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. Neither Settlement Reference Source is licensed by, affiliated with, or under any contractual arrangement with the Exchange. Where the Exchange lists Contracts referencing more than one Candidate for the same Office, Jurisdiction and Term, the Contracts form a mutually exclusive set and at most one Contract in the set resolves “Yes”. The Exchange may list Contracts referencing fewer than all of the candidates who have qualified for the ballot for that Office, Jurisdiction and Term. Where it does

so, the set is mutually exclusive but is not exhaustive: if the Settlement Reference Source publishes a Declaration identifying as elected a person who is not the Candidate of any listed Contract, every Contract in the set resolves “No”. The Exchange publishes the Contracts listed for each Office, Jurisdiction and Term on its website pursuant to Exchange Rule 2.13, so that Market Participants may identify the candidates referenced and those not referenced.

¹ The Contracts have not been endorsed by The Associated Press or Decision Desk HQ, neither of which is a party to them. The use of those names is solely for the purpose of identifying the settlement source.

APPENDIX A – CONTRACT TERMS AND CONDITIONS

1. U.S. Senate Election Winner Contracts

Official Name	“Will <Candidate> win the U.S. Senate election in <Jurisdiction> on <Election Date>?”
Underlying	The Underlying for each Contract is whether the Candidate is declared elected to the Office. “Office” means United States Senator representing the State identified in the Contract Terms. “Jurisdiction” means the State identified in the Contract Terms in which the Office is contested. “Term” means the term of the Office identified in the Contract Terms, stated by commencement date and duration. “Election Date” means the date of the election at which the Office is contested, whether a general election or a special election, as identified in the Contract Terms. The Election Date is descriptive of the Underlying and is not itself a settlement condition. “Candidate” means the natural person identified in the Contract Terms. Identity is determined by the person, and not by ballot designation, party affiliation, or the form of the name as it appears on any ballot or in any Declaration. “Declaration” means a published statement by the applicable Settlement Reference Source that an identified person has been elected to the Office in the Jurisdiction for the Term. “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 election race declarations published by The Associated Press (https://apnews.com). The secondary source is the election race calls published by Decision Desk HQ (https://www.decisiondeskHQ.com), and is consulted solely where the primary source has published no Declaration for the Office, Jurisdiction and Term on or before 11:59:59 p.m. Eastern Time on the seventh day following the Election Date (the “Secondary Source Trigger”). Where both sources have published Declarations identifying different persons as elected to the Office in the Jurisdiction for the Term, 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 Candidate as elected to the Office in the Jurisdiction for the Term 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 person other than the Candidate. A. Determination Rules Not Applied. Each Contract settles solely according to whether the Settlement Reference Source has declared the Candidate elected to the Office. The method by which the Jurisdiction determines its winner, including plurality, majority with runoff, and ranked-choice tabulation, 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 person as elected, 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. Withdrawal or Disqualification of the Candidate. A Contract resolves “Yes” only if the Settlement Reference Source declares the Candidate elected, and “No” in every other case. Events occurring after the Expiration Date and Time, including a declared winner being denied or removed from the Office, do not affect settlement. D. Death of a Candidate. If the Candidate, or any other candidate referenced by a Contract listed by the Exchange for the same Office, Jurisdiction and Term, dies on or before the Expiration Date and Time, that death constitutes a Settlement Disruption within the meaning of Rule 5.2(b). All Contracts listed by the Exchange for that Office, Jurisdiction and Term settle 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. Trading in the affected Contracts ceases upon publication of the death. This paragraph applies whether or not the Settlement Reference Source has published a Declaration, and operates in place of every other provision of these Settlement Criteria. Where no transaction has been executed in a Contract at any time, no position in that Contract is outstanding and no settlement is required. E. Recount, Contest, Runoff, or Rescheduled Election. No separate rule applies. The Underlying is defined by Office, Jurisdiction and Term, and not by round or by election date. A published and unwithdrawn Declaration governs. Where the Settlement Reference Source withholds or withdraws a Declaration, the Contract remains open until a Declaration is published or the Final Cutoff is reached. F. No Discretion. The Exchange applies the determination set forth under “Underlying” without adjustment. The Exchange does not survey, poll, estimate, or otherwise generate the underlying data, and does not substitute its own determination for that of the Settlement Reference Source.

	G. Absence of a Declaration by the Primary Source. Where the primary source has published no Declaration for the Office, Jurisdiction and Term 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. H. Absence of Any Declaration. If neither Settlement Reference Source has published a Declaration for the Office, Jurisdiction and Term 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 D or paragraph H 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 G 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 D of the Settlement Criteria, 5:00 p.m. Eastern Time on the business day following publication of the death. Where the Contract is settled at the Last Traded Price pursuant to paragraph H 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 the determination of an election may be delayed by recount, election contest, or judicial proceeding for an extended period, as occurred in the 2008 United

	States Senate election in Minnesota, which was not finally resolved until June 30, 2009, approximately 238 days after the election.
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: Each 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 election has 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 each 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 any Contract referencing a given Office, Jurisdiction and Term:

- The Candidate, and any other candidate for that Office in that Jurisdiction for that Term, whether or not that person appears on the certified ballot;
- Current and former officers, employees, consultants, contractors, volunteers with campaign responsibilities, and retained vendors of any campaign or campaign committee organized to support or oppose any candidate for that Office, including pollsters, media buyers, and data and analytics vendors, in each case during the applicable election cycle;
- Officers, directors, employees and contractors of any national, state, county, or other local political party committee active in that Jurisdiction, and of any political action committee, independent expenditure committee, or other organization making expenditures in support of or opposition to any candidate for that Office;
- Officers and employees of the office of the chief election official of that Jurisdiction and of any State, county, or municipal election authority with responsibility for administering, tabulating, canvassing, or certifying that election, including election administrators, clerks, and registrars; members of canvassing authorities, canvassing boards, boards of elections, ballot boards, early voting ballot boards, and signature verification committees; and election judges and poll workers;
- Officers, employees and contractors of any voting system, ballot tabulation, election-night reporting, or voter registration vendor providing services to that Jurisdiction;
- 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 or race calls, and any other person with access to race call information before its publication;
- Any person with access to non-public exit poll, voter survey, or pre-release polling data relating to that Office, until such data has been publicly disseminated;
- Any person in possession of material non-public information relating to the outcome of the election for that Office, including non-public tabulation, canvass, or recount information, 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 any Contract within the certified class. Any Director, officer, or employee of the Exchange holding a position with, or providing services to, a candidate, campaign committee, party committee, or independent expenditure committee active in a Jurisdiction must disclose that relationship to the Exchange and is subject to recusal from any decision relating to Contracts referencing that Jurisdiction.

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