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 of an Event Contract Series Pursuant to CFTC Regulation 40.2(d) — U.S. Congressional Balance of Power 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 named political parties are declared to have won control of the two Chambers of the Congress of the United States at a general election (the "Contracts"). The Contracts are represented in the form of "**Will the <Party A> control the House of Representatives and the <Party B> control the Senate in the <Year> elections?**" 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 the four permutations of control of the two Chambers of the Congress of the United States by the Democratic Party and the Republican Party. The Contracts within the certified class differ from one another in three respects only: the political party referenced in respect of the House of Representatives, the political party referenced in respect of the Senate, 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 the Republican Party control both the U.S. House of Representatives and the U.S. Senate in the 2026 elections?**"; 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, 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 named political parties are declared to have won control of the two Chambers of the Congress of the United States at a general election.[1] Each Contract settles in cash with a notional value of $1.00. A Contract resolves "Yes" if: the named political parties are declared to have won control of the respective Chambers at the general elections 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(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 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). Which political party holds a majority of the seats in a Chamber of the Congress of the United States following a general election is an occurrence of that character: it is determined by votes cast by electorates throughout the United States 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 composition of the Congress bearing directly upon taxation, expenditure, trade and financial regulation.

(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 control declarations published by The Associated Press as primary source, and the control calls published by Decision Desk HQ as secondary source, consulted solely where the primary source has published no Declaration on or before the Secondary Source Trigger stated in Appendix A. Where both sources have published Declarations identifying different Parties, 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. Every Contract applies the same formula, 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 manner in which the Settlement Reference Source determines control of either Chamber. The differences between the Chambers — in the number of seats constituting a majority, in that only a portion of the Senate is contested at any general election, in the treatment of members who caucus with a party without being affiliated with it, and in the effect of the tie-breaking vote of the Vice President of the United States — are anterior to the settlement formula and do not enter the Exchange's determination. Each Contract within the class is determined by the same two Declarations, read together, and resolves upon the later of them. The four permutations are mutually exclusive and are determined by the same procedure applied to the same two Declarations; the formula requires no branch, alternative computation, or permutation-specific rule.

(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 political party, both Chambers of the Congress of the United States, one identified general election 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 named political parties are declared to have won control of the two Chambers of the Congress of the United States at a single general election, settled by the procedure and formula set out in Appendix A. The certified class includes the four permutations of control by the Democratic Party and the Republican Party, and general elections subsequent to that referenced by the Referenced Contract.

The Exchange will not list under this certification any Contract that: references the outcome of an election to a single seat, office or district; references control of a single Chamber of the Congress of the United States, as distinct from control of both Chambers; references the number of seats held by any Party, as distinct from which Party holds a majority; references control of a legislative chamber of a State or of any body other than a Chamber of the Congress of the United States; references control of a Chamber at any time other than as declared following a general election, including as a consequence of a subsequent vacancy, special election, party switch or change of caucus; references the identity of any officer of a Chamber, including the Speaker of the House of Representatives or the Majority Leader of the Senate; references a political party other than the Democratic Party or the Republican Party; or applies

any different source, formula, procedure or methodology for determining the outcome or the resulting payment obligations.

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. All Contracts are fully collateralized in accordance with Rules 5.1(b) and 7.3(a). Position accountability applies under Rule 4.14 at the level stated in Appendix A, on a per-Contract basis. Trading is available outside of announced maintenance windows. Fees are assessed in accordance with Rule 3.6.

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 permutation for the same Election Date, the Contracts form a mutually exclusive set and at most one Contract in the set resolves “Yes”. Where the Exchange lists all four permutations, the set is not exhaustive: if no political party is declared to have won control of either Chamber, every Contract in the set resolves “No”.

[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. Congressional Balance of Power Contracts

Official Name	"Will the <Party A> control the House of Representatives and the <Party B> control the Senate in the <Year> elections?"
Underlying	The Underlying for each Contract is whether the political party identified in the Contract Terms in respect of each Chamber is declared to have won control of that Chamber at the general election held on the Election Date. "Chamber" means each of the United States House of Representatives and the United States Senate, and "Chambers" means both of them. "Party" means, in respect of each Chamber, the political party identified in the Contract Terms for that Chamber, being either the Democratic Party or the Republican Party. "Election Date" means the date of the general elections identified in the Contract Terms at which members of the Chambers are elected. "Declaration" means, in respect of a Chamber, a published statement by the applicable Settlement Reference Source that an identified political party has won control of that Chamber at the general election held on the Election Date. "Declaration Time" means the time at which the later of the two Declarations required to determine the Contract 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 in respect of each Chamber identifying the Party as having won control of that 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 as having won control of either Chamber. Where a Declaration has been published in respect of one Chamber but not the other, the Contract is not determined and remains open until a Declaration is published in respect of both Chambers or the Final Cutoff is reached. 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 any Contract within the certified class:

- 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 any Contract within the certified class. 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.