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 James Talarico win the U.S. Senate election in Texas on November 3, 2026?" 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 James Talarico win the U.S. Senate election in Texas on November 3, 2026?" 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 candidate, one named office, one named jurisdiction, one named term, 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 other candidates, States, terms and elections to the office of United States Senator that share an identical settlement source and methodology with this Contract.

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 the election of a named individual to a single specified public office.[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 other candidates, States, terms and elections to the office of United States Senator that share 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 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(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, 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.

[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 James Talarico win the U.S. Senate election in Texas on November 3, 2026?"

Official Name	"Will James Talarico win the U.S. Senate election in Texas on November 3, 2026?"
Underlying	The Underlying for the Contract is whether James Talarico is declared elected to the Office. "Office" means United States Senator representing the State of Texas. "Jurisdiction" means the State of Texas. "Term" means the six-year term of the Office commencing January 3, 2027. "Election Date" means November 3, 2026. The Election Date is descriptive of the Underlying and is not itself a settlement condition. "Candidate" means James Talarico. 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. The 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. The 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: 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 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 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 James Talarico win the U.S. Senate election in Texas on November 3, 2026?":

- The Candidate, and any other candidate for the Office in the Jurisdiction for the 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 the 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 the Jurisdiction, and of any political action committee, independent expenditure committee, or other organization making expenditures in support of or opposition to any candidate for the Office;
- Officers and employees of the office of the chief election official of the Jurisdiction and of any State, county, or municipal election authority with responsibility for administering, tabulating, canvassing, or certifying the 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 the 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 the 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 the 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 the Contract. 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 the Jurisdiction must disclose that relationship to the Exchange and is subject to recusal from any decision relating to the Contract.

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