

July 22, 2025

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: KalshiEX LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of the “Will <judicial body> side with <person/entity> in <case>?” Contract

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, KalshiEX LLC (Kalshi), a registered DCM, hereby notifies the Commission that it is self-certifying the “Will <judicial body> side with <person/entity> in <case>?” contract (Contract). The Contract will initially be listed after close-of-business on **July 23, 2025**; it is listed as the day after because of limitations of the Commission’s online submission portal. The Exchange intends to list the contract on a **custom** basis. The Contract’s terms and conditions (Appendix A) includes the following strike conditions:

- <date>
- <judicial body>
- <person/entity>
- <case>

Along with this letter, Kalshi submits the following documents:

- A concise explanation and analysis of the Contract;
- Certification;
- Appendix A with the Contract’s Terms and Conditions;
- Confidential Appendices with further information; and
- A request for FOIA confidential treatment.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Xavier Sottile
Head of Markets
KalshiEX LLC
xsottile@kalshi.com

KalshiEX LLC

Official Product Name: “Will <judicial body> side with <person/entity> in <case>?”

Rulebook: CASEWIN

Summary: Judicial ruling in favor of person/entity

Kalshi Contract Category: Political Decision

Kalshi Internal Category: Politics

July 22, 2025

CONCISE EXPLANATION AND ANALYSIS OF THE PRODUCT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION'S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.2(a)(3)(v), the following is a concise explanation and analysis of the product and its compliance with the Act, including the relevant Core Principles (discussed in Appendix D), and the Commission's regulations thereunder.

I. Introduction

The “Will <judicial body> side with <person/entity> in <case>?” Contract is a contract relating to Politics.

Further information about the Contract, including an analysis of its risk mitigation and price basing utility, as well as additional considerations related to the Contract, is included in Confidential Appendices B, C, and D.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange hereby certifies that the listing of the Contract complies with the Act and Commission regulations under the Act.

General Contract Terms and Conditions: The Contract operates similar to other event contracts that the Exchange lists for trading. The minimum price fluctuation is \$0.01 (one cent). Price bands will apply so that Contracts may only be listed at values of at least \$0.01 and at most \$0.99. Further, the Contract is sized with a one-dollar notional value and has a minimum price fluctuation of \$0.01 to enable Members to match the size of the contracts purchased to their economic risks. As outlined in Rule 5.12 of the Rulebook, trading shall be available at all times outside of any maintenance windows, which will be announced in advance by the Exchange. Members will be charged fees in accordance with Rule 3.6 of the Rulebook. Fees, if they are charged, are charged in such amounts as may be revised from time to time to be reflected on the Exchange's Website. A new Source Agency can be added via a Part 40 amendment. All instructions on how to access the Underlying are non-binding and are provided for convenience only and are not part of

the binding Terms and Conditions of the Contract. They may be clarified at any time. Furthermore, the Contract's payout structure is characterized by the payment of an absolute amount to the holder of one side of the option and no payment to the counterparty. During the time that trading on the Contract is open, Members are able to adjust their positions and trade freely. The Expiration Value and Market Outcome are determined at or after Market Close. The market is then settled by the Exchange, and the long position holders and short position holders are paid according to the Market Outcome. In this case, "long position holders" refers to Members who purchased the "Yes" side of the Contract and "short position holders" refers to Members who purchased the "No" side of the Contract. If the Market Outcome is "Yes," meaning that an event occurs that is encompassed within the Payout Criterion, then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Market Outcome is "No," then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger a Market Outcome of "Yes" are included below in the section titled "Payout Criterion" in Appendix A.

**CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE
ACT, 7 U.S.C. § 7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE
40.2, 17 C.F.R. § 40.2**

Based on the above analysis, the Exchange certifies that:

- The Contract complies with the Act and Commission regulations thereunder.
- This submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange's website at <https://kalshi.com/regulatory/filings>.

Should you have any questions concerning the above, please contact the exchange at ProductFilings@kalshi.com.



By: Xavier Sottile
Title: Head of Markets
Date: July 22, 2025

Attachments:

- Appendix A - Contract Terms and Conditions
- Appendix B (Confidential) - Further Considerations
- Appendix C (Confidential) - Source Agency
- Appendix D (Confidential) - Compliance with Core Principles

APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: “Will <judicial body> side with <person/entity> in <case>?”

Rulebook: CASEWIN

CASEWIN

Underlying: The Underlying for this Contract is the final ruling or decision by <judicial body> in <case> involving <person/entity> after Issuance and before <date>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are, in hierarchical order: <judicial body> official records and electronic filing systems, the court clerk's office for <judicial body>, PACER (Public Access to Court Electronic Records), Westlaw Court Records, Bloomberg Law Court Filings, The New York Times, the Associated Press, Bloomberg News, Reuters, The Washington Post, The Wall Street Journal, Law360, Legal Monitor Worldwide, ABC, CBS, CNN, Fox News, MSNBC, NBC, Politico, and STAT News.

Type: The type of Contract is an Event Contract.

Issuance: After the initial Contract, Contract iterations will be listed on an as-needed basis at the discretion of the Exchange and corresponding to the risk management needs of Members.

<judicial body>: <judicial body> refers to the specific court, tribunal, or judicial panel identified by the Exchange, including its full official name and jurisdiction.

<person/entity>: <person/entity> refers to the specific individual, corporation, government entity, or organization identified by the Exchange as a named party in <case>.

<case>: <case> refers to the specific legal proceeding identified by the Exchange, including the full case caption and docket number.

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <person/entity> achieved the superior outcome in the trial-level resolution of <case>.

<person/entity> achieves the superior outcome through the following exclusive hierarchy:

1. Net Monetary Recovery (Highest Priority):

- If <person/entity> receives a larger net monetary award than all opposing parties combined (after offsetting any awards against <person/entity>), <person/entity> achieves the superior outcome
- If <person/entity> receives any monetary award and opposing parties receive \$0 net, <person/entity> achieves the superior outcome

- Monetary awards include compensatory damages, punitive damages, restitution, and statutory damages
- Attorney's fees and costs are excluded from monetary recovery calculations

2. Substantive Legal Victory (Second Priority): If no net monetary advantage exists for any party:

- <person/entity> achieves the superior outcome if they prevail on claims seeking the largest dollar amount of relief in their original pleadings
- If relief amounts are equal or unclear, <person/entity> achieves the superior outcome if they prevail on the greater number of primary causes of action
- Primary causes of action exclude procedural claims, discovery sanctions, and attorney's fee requests

3. Case Termination Advantage (Third Priority): If the case terminates without substantive judgment:

- If <person/entity> is a defendant and all claims against them are dismissed with prejudice, <person/entity> achieves the superior outcome
- If <person/entity> is a plaintiff and opposing parties voluntarily dismiss all claims against <person/entity> with prejudice, <person/entity> achieves the superior outcome
- All other termination scenarios result in no superior outcome for any party

Settlement Resolution:

- If parties settle with a disclosed net payment to <person/entity>, <person/entity> achieves the superior outcome
- If parties settle with a disclosed net payment from <person/entity> to opposing parties, <person/entity> does not achieve the superior outcome
- If parties settle with mutual releases and no disclosed payment direction, or if settlement terms are sealed and no Source Agency reports payment direction within 7 days of settlement announcement, no party achieves a superior outcome

Specific Case Termination Scenarios:

- Default judgments in favor of <person/entity> constitute superior outcomes under the monetary recovery or substantive victory criteria
- Default judgments against <person/entity> prevent superior outcome achievement
- Full Summary Judgment: Treated as substantive victory for the prevailing party
- Partial Summary Judgment: Applied to resolved claims only; remaining claims proceed under normal resolution criteria

- Summary Judgment on Liability Only: Does not constitute superior outcome until damages are determined
- Mistrials with prejudice constitute case termination and are evaluated under termination advantage criteria
- Mistrials without prejudice, hung juries, or mistrials due to procedural errors result in no superior outcome for any party
- If retrial is ordered and occurs before <date>, the retrial outcome determines the result
- Sua Sponte Judicial Dismissal: Treated as dismissal with prejudice for termination advantage calculation
- Failure to Prosecute: Treated as voluntary dismissal with prejudice against the dismissing party

Exclusions and Clarifications:

- This Contract applies ONLY to trial-level resolution and specifically excludes all appeals processes
- Only claims directly involving <person/entity> are considered; third-party claims, interpleader actions, and claims between other parties are excluded
- Procedural victories (discovery sanctions, fee awards alone, contempt citations) do not constitute superior outcomes unless accompanied by substantive relief on the merits
- Injunctive relief counts as substantive victory only if it provides the primary relief sought in the original pleadings
- Case consolidation with other proceedings does not affect this Contract unless the consolidated outcome directly resolves the dispute involving <person/entity>

Multi-Party Case Handling:

- In cases with multiple defendants, <person/entity> must achieve superior outcome relative to all opposing parties combined
- Joint and several liability awards are attributed to <person/entity> based on their individual liability percentage
- Cross-claims between co-defendants do not affect <person/entity>'s superior outcome determination

Minimum Tick: The Minimum Tick size for the Contract shall be \$0.01.

Position Accountability Level: The Position Accountability Level for the Contract shall be \$25,000 per strike, per Member.

Last Trading Date: The Last Trading Date of the Contract will be the day prior to <date>. The Last Trading Time will be 11:59 PM ET.

Settlement Date: The Settlement Date of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The latest Expiration Date of the Contract shall be one week after <date>. If an event described in the Payout Criterion occurs, expiration will be moved to an earlier date and time in accordance with Rule 7.2.

Expiration Time: The Expiration time of the Contract shall be 10:00 AM ET.

Settlement Value: The Settlement Value for this Contract is \$1.00.

Expiration Value: The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration time.

Contingencies: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 6.3(d) of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 6.3(b) in the Rulebook.