

March 25, 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 <count> Supreme Court vote for the petitioner 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 <count> Supreme Court vote for the petitioner in <case>?” contract (Contract). The Contract will initially be listed on March 27, 2025. 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>
- <case>
- <count>

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 <count> Supreme Court vote for the petitioner in <case>?”

Rulebook: SCOTUSCASE

Summary: SCOTUS decision votes

Kalshi Contract Category: Political Decision

Kalshi Internal Category: Politics

March 21, 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 <count> Supreme Court vote for the petitioner in <case>?” Contract is a contract relating to the Supreme Court of the United States.

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: March 14, 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 <count> Supreme Court vote for the petitioner in <case>?”
Rulebook: SCOTUSCASE

SCOTUSCASE

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the first opinion or judgement the Supreme Court of the United States issues regarding <case> after Issuance and before <date>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: The Underlying can be found at: <https://www.supremecourt.gov/opinions/opinions.aspx>. These instructions on how to access the Underlying 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.

Source Agency: The Source Agency is the Supreme Court of the United States.

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.

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

<case>: <case> refers to a lawsuit or other legal matter specified by the Exchange.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that exactly <count> justices vote in favor of the petitioner in <case>. A justice is counted as voting in favor of the petitioner only if, according to the Court's final action, that justice supported a judgment that grants some or all relief requested by the petitioner. The number of votes "for the petitioner" is the number of justices who:

- Concurred in a judgment of the Court in favor of the petitioner; or
- Dissented from the judgment against the petitioner.

A justice must participate in the case and take a position aligned with granting relief to the petitioner for their vote to count.

1. If the petitioner prevails in the Court's final judgment:
 1. Count all justices who:
 1. Joined the majority opinion

2. Wrote or joined concurring opinions;
 3. Concurred in the judgement only.
2. A justice who concurs in part and dissents in part will count only if the concurring portion includes a vote to grant the petitioner some relief.
2. If the petitioner loses in the Court's final judgment:
 1. Count all justices who dissented from the judgment and whose dissent, if adopted, would have granted some or all of the relief the petitioner sought.
 2. If a dissenting justice objects only to procedural aspects (e.g., they would have dismissed the case), and their position would not have resulted in granting relief to the petitioner, they are not counted.
3. If the Court affirms in part and reverses in part:
 1. Count any justice whose vote, opinion, or dissent that supports any portion of the judgment that grants relief to the petitioner (e.g., reversal of a lower court ruling adverse to the petitioner).
4. If no majority opinion exists but a judgment is issued:
 1. Count all justices who concurred in the judgment in favor of the petitioner, regardless of whether they joined the plurality.
 2. Count no justice who concurred in the judgment against the petitioner.
 3. Apply the same principle to dissenters if the petitioner loses.
5. Per Curiam Opinions
 1. Unless otherwise noted, treat unsigned per curiam opinions as representing all participating justices.
 2. If any justices issue a dissent or note non-participation, subtract them from the total to calculate votes for the petitioner.
6. If an emergency order is the final disposition of the case, apply the same rules as a per curiam:
 1. If the petitioner wins: count all participating justices minus dissents.
 2. If the petitioner loses: count all dissenters (those who would have granted relief).
7. If the case is: dismissed as improvidently granted (DIG); dismissed for mootness; vacated and remanded without decision; withdrawn or settled; or otherwise concluded without a final merits judgment; then the contract resolves as 0 votes for the petitioner.
 1. Even if justices issue separate opinions expressing support for the petitioner, they do not count unless a final judgment is issued.
8. Justices who are recused or who do not participate are excluded from the total count.
9. Vote switches and drafts
 1. Only the final votes recorded in the Supreme Court's official slip opinion, summary disposition, or order will be used.
 2. Leaked drafts or reported internal shifts are not relevant to resolution.

Examples:

1. Petitioner wins 5–4: Five justices join majority opinion; four dissent. → 5 votes for petitioner.
2. Petitioner loses 6–3: Three dissenters issue a joint dissent. → 3 votes for petitioner.
3. Affirmed in part, reversed in part 7–2: Two justices dissent and would reverse fully in petitioner’s favor. → 2 votes for petitioner.
4. Per curiam summary reversal with 1 noted dissent, 1 recusal: 9 - 1 (dissent) - 1 (recusal) = 7 votes for petitioner.
5. Emergency order grants relief with 2 dissents: → 7 votes for petitioner.
6. Case dismissed as moot, 3 justices dissent: → 0 votes (no decision issued).
7. Plurality decision with 4-1-4 split in favor of petitioner: 4 plurality + 1 concurring in judgment → 5 votes for petitioner.

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 same as the Expiration Date. The Last Trading Time will be the same as the Expiration time.

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 <date>. If the Supreme Court of the United States makes a decision in <case>, 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.

