

Product Submission by ForecastEx LLC – Pursuant to 17 C.F.R. §§ 40.2

October 2, 2024
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: ForecastEx LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of “US House Control Forecast Contract”

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, ForecastEx LLC (“ForecastEx” or the “Exchange”) hereby notifies the Commission that it is self-certifying the “US House of Representatives Control Forecast Contract”.

The submission includes:

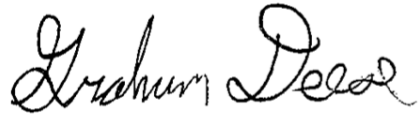
A concise explanation, analysis and background of the Contract;

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

The Exchange certifies that this submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange’s website.

Any questions regarding this filing, as well as any notices pursuant to Commission Regulation 40.2, should be directed to the attention of the undersigned at gdeese@forecastex.com or 630-743-9013.

Respectfully submitted,

A handwritten signature in black ink, reading "Graham Deese". The signature is written in a cursive style with a large initial "G" and "D".

Graham Deese
ForecastEx Chief Regulatory Officer

Encl. (Appendix A)

cc: David Downey, ForecastEx Chief Executive Officer
Andrew Naughton, ForecastEx Chief Financial Officer

Attachments:

Appendix A - Contract Terms and Conditions

Appendix B (Confidential) – Explanation and Analysis of the Product

Appendix C (Confidential) – Certification that Contracts are not Readily Susceptible to Manipulation

Appendix A – Contract Terms and Conditions

Event Question: Will [party] win a majority in the United States House of Representatives in the [year] general election?

Product Code: HORC

Instructions: The US House of Representatives is composed of 435 Representatives. Every even numbered year, these Representatives are up for election. Citizens vote in the general election, with the candidate in each congressional district receiving the majority of votes becoming the Representative-elect. The general election is held on the first Tuesday in November of the election year, unless the first Tuesday is November 1st, in which case the election is held on the second Tuesday. On January 3rd of each odd numbered year, the US Congress convenes and new Representatives are sworn in. The list of current Representatives is published to Congress.gov the following business day at 7:00AM CT. Congress.gov is the official website of the U.S. Congress. The political party whose members hold at least 218 seats is considered to be “in control” of the House of Representatives.

Underlying: The underlying is the political party whose members control at least 218 seats in the US House of Representatives on January 3rd of the year following a Congressional election. The list of US Representatives at the convening of each Congress is published to Congress.gov the following business day. The list of Representatives can be accessed [Here](#). The above link is provided for informational purposes only, the US Government may determine to publish the list of Representatives in a different location at any time.

Source Agency: Congress.gov

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

Listing Cycle: ForecastEx will list one expiration of the US House of Representatives Control Forecast Contract at any time. This contract will correspond to the next Congressional Election cycle.

Thresholds: For each contract expiration, one threshold will be listed.

Position Accountability: The position accountability level is 250,000 Forecast Contracts in any one Forecast Market.

Last Trading Time: 11:59:59 PM CT on the trading day preceding the general election.

Payout Criteria: The Settlement Value of each US House of Representatives Control Forecast Contract is \$1.00 or \$0 depending on the Outcome of the Event Question. If the Outcome of the Event Question is “Yes”, then holders of the “Yes” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “No” Position will receive \$0.00. If the Outcome of the Event Question is “No”, then holders of the “No” Position will be entitled to

receive the Settlement Value of \$1.00 per contract and holders of the “Yes” Position will receive \$0.00.

Resolution Time: 7:00AM CT on January 4th of the year following the general election when the list of Representatives is published to Congress.gov.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the date that new Representatives are sworn in and the time the current member list is published to Congress.gov. There are circumstances where ForecastEx may change the Resolution Time of a Contract. If the date that the Congress convenes is delayed, the publication to Congress.gov is delayed, or there is ongoing litigation which could change the party holding a majority of seats in the US House of Representatives, ForecastEx will delay the Resolution Time of the Contract until such time as the control of the US House of Representatives is clarified and the list of Representatives is published to Congress.gov. In this case, ForecastEx would release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the contract ultimately resolves.

Expiration Time: Same as Resolution time.

Settlement Time: Settlement for Resolved US House of Representatives Control Forecast Contracts will occur after Resolution Time at 1:00 PM CT that same Business Day in accordance with ForecastEx Rule 603(b)(3).

Trading Restrictions: In Accordance with ForecastEx Rule 509, the following Persons are prohibiting from entering Bids or executing Pairs in US House of Representatives Control Contracts:

- Non-US Residents
- Candidates and paid staff on campaigns for US Congress.
- Candidates for any other elected federal or statewide public office.
- The existing US President and paid White House Staff.
- Existing Members of Congress and their paid staff.
- Paid employees of national party organizations, including the Republican National Committee and Democratic Congressional Campaign Committee.
- Paid employees of Political Action Committees and “Super PACs”
- Paid employees of major polling organizations. This prohibition does not apply to all employees of an organization that contains a polling division.
- Immediate family members, parents, and other household members of any of the above.
- Any of the above listed institutions themselves.