



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

October 21, 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 State Presidential Race 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 State Presidential Race Forecast Contract”.

The submission includes:

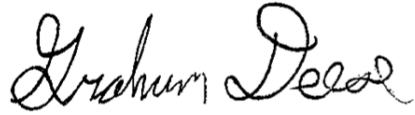
A concise explanation, analysis and background of the Contract;

- 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 that reads "Graham Deese". The signature is written in a cursive, flowing style.

Graham Deese
ForecastEx Chief Regulatory 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 [candidate] win [state] in the [year] Presidential election?

Product Code: PR [two letter state abbreviation] [last name initial of candidate]

Instructions: The US President is chosen through a process that begins with a national election held every four years. Citizens vote in the general election, which determines the electors for the Electoral College, a group of representatives from each state. Each state's number of electors is equal to its total number of Senators and Representatives in Congress. The candidate who wins the majority of electoral votes—at least 270 out of 538—is elected President. 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. Each state has their own process for determining the winner in their state and how electoral votes are allocated. On January 6th of the year following the election, there is a joint session of the US Congress where the results of the Presidential Election in each individual state is certified by Congress. The votes of the electors for each state are published in the Congressional Record on the following business day at 9:00 AM CT.

Underlying: The underlying is the candidate who receives the majority of electoral college votes for the identified state in the identified Presidential election. If not all of a state's electors vote for the same candidate, the winner will be the candidate who receives the majority of electoral votes. Electoral votes are certified by the US Congress during the January 6th joint session. This certification is published in Congressional Record the following business day. The Congressional Record can be accessed [Here](#). Select the correct Congress from the top dropdown menu and then navigate to the Congressional Record release from the appropriate date. The Congressional Record is the official transcript of debates, speeches, and proceedings in the U.S. Congress. It provides a comprehensive and verbatim account of legislative activities. The above link is provided for informational purposes only, the US Government may determine to publish the Congressional Record in a different location at any time.

Source Agency: United States Congress

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

Listing Cycle: ForecastEx will list one expiration of the US State Presidential Race Forecast Contract at any time. This contract will correspond to the next Presidential Election cycle.

Thresholds: For each contract expiration thresholds will be listed at ForecastEx's discretion.

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

Last Trading Time: 11:59:59 PM CT on the day two days prior to the Resolution Time.

Payout Criteria: The Settlement Value of each US State Presidential Race 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: 9:00 AM CT when the Congressional Record is published on the business day following the January 6th certification of the election results.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that The US Congress certifies the results of the Presidential Election and that information is published in the Congressional Record. There are circumstances where ForecastEx may change the Resolution Time of a Contract. In the event that the certification of the election is moved to a different date, the publication of the Congressional Record is delayed, there is ongoing litigation which could change the winner of the Presidential Election, or no candidate receives 270 electoral votes, ForecastEx will delay the Resolution Time of the Contract until such time as the Presidential Election is certified and the Congressional Record is released. 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 State Presidential Race 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 State Presidential Race Contracts:

- Candidates and paid staff on campaigns for US President.
- Candidates for any other elected federal or statewide public office.
- The existing US President, including a president not running for re-election, 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.