Official Product Name: “Will a ballot initiative on California secession qualify for a vote <date>?”

Rulebook: CASECESSION

CASECESSION

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official determination by the California Secretary of State regarding ballot qualification for any initiative proposing California secession, occurring 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 the California Secretary of State (official website and announcements), Official California Legislative Information website, California Attorney General's Office, California county registrars' offices, official proponent filings, Court decisions from California Supreme Court or Federal Courts with jurisdiction, Los Angeles Times, San Francisco Chronicle, Sacramento Bee, Associated Press, Reuters, Politico California, CalMatters, and Ballotpedia.

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>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that at least one ballot initiative on California secession has officially qualified for the ballot[a][b] as certified by the California Secretary of State after Issuance and before <date>. A ballot initiative on California secession is defined as any proposed ballot measure that:

- Explicitly proposes Californian independence from the United States
- Proposes California becoming a sovereign nation
- Proposes procedures for California to secede from the Union[c][d][e]
- Would establish California as anything other than a U.S. state

This excludes:

- Initiatives for greater state autonomy while remaining in the U.S.
- Proposals to split California into multiple U.S. states[f][g]

For qualification to meet the Payout Criterion:

- The Secretary of State must issue an official certification that the measure qualified; signature verification alone is not sufficient unless final qualification occurs
- The qualification must be based on verified signatures, not raw submissions

- The measure must propose or support secession as defined above
- Court-ordered disqualifications after initial qualification still count as YES
- The date of qualification certification (not signature submission) must fall before <date>

Clarifications:

- Multiple secession initiatives qualifying each count (only need one for YES)
- If signatures are submitted before <date> but verified after, this resolves NO
- Initiatives that become certified after Issuance and before <date> but are later withdrawn still count as YES
- Preliminary county reports are not sufficient - need Secretary of State certification
- Constitutional validity of secession is irrelevant to qualification[h][i]

Examples that would resolve to YES:

- "California Independence Act" collects 1.2M verified signatures and qualifies in March
- Secretary of State certifies "Calexit 2028" has met signature threshold
- Multiple secession initiatives qualify, even if later consolidated

Examples that would NOT resolve to YES:

- Initiative collects enough raw signatures but fails verification
- "Divide California into 3 States" initiative qualifies (not secession)[j][k]
- Secession initiative submitted but still undergoing signature verification at <date>
- Court blocks initiative before signature collection begins

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 a qualifying secession initiative is certified, 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.