February 25, 2026

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 <sporting franchise> relocate to <location><time period>?" 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 <sporting franchise> relocate to <location><time period>?" contract (Contract). The Contract will initially be listed after close-of-business on **February 25, 2026**; 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:

- **<sporting franchise>**
- **<location>**
- **<time period>**

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 <sporting franchise> relocate to <location><time period>?"
Rulebook: FRANCHISERELOCATION
Summary: [Franchise] relocation to [location] by [date]
Kalshi Contract Category: Sports
Kalshi Internal Category: Sports
February 25, 2026

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 <sporting franchise> relocate to <location><time period>?" Contract is a contract relating to Sports.

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 5.16 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 3.13 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.



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By: Xavier Sottile
Title: Head of Markets
Date: February 25, 2026

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 <sporting franchise> relocate to <location><time period>?”
Rulebook: FRANCHISERELOCATION

FRANCHISERELOCATION

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is whether <sporting franchise> relocates to <location> <time period>. 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, the official governing body of the relevant league (e.g., NFL, NBA, MLB, NHL, MLS, Premier League) of which <sporting franchise> is a part, the official website, representatives, or social media accounts of <sporting franchise>, the official website or social media accounts of the league of which <sporting franchise> is a part, the official website or social media accounts of the state or local government with jurisdiction over <location>, ESPN, The Athletic, Sports Illustrated, Associated Press, Reuters, Bloomberg News, The New York Times, The Washington Post, The Wall Street Journal, Yahoo Sports, CBS Sports, Fox Sports, NBC Sports, and BBC Sport.

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.

<sporting franchise>: <sporting franchise> refers to a professional or collegiate sports team specified by the Exchange. This may include:

- A specific named team identified by its official name, common name, or nickname
- Multiple teams using AND logic (all must relocate) or OR logic (any one suffices)
- Teams identified by their league, division, or conference affiliation
- Any team in a specified league, division, or set of teams
- Teams identified by distinguishing characteristics (e.g., "the team currently based in Seattle")

The identity of <sporting franchise> shall be determined by the franchise rights holder, not by team name, ownership, or branding. If a franchise changes its name, ownership, or branding but retains its league membership and franchise rights, it remains the same <sporting franchise> for purposes of this Contract. If franchise rights are transferred, dissolved, merged, or split - including transactions where a league transfers a franchise's hockey, football, basketball, baseball, or other operational assets (such as players, staff, and draft picks) to a new or different entity while retaining the original franchise's name, history, or intellectual property with the original owner - the Exchange will determine whether a relocation has occurred and announce the determination to Members. The Exchange's determination shall be guided by the league's own official characterization of the transaction: if the league characterizes the transaction as a

relocation, it shall be treated as a relocation; if the league characterizes it as an expansion, dissolution, contraction, or any other category distinct from relocation, it shall not be treated as a relocation of <sporting franchise> for purposes of this Contract, even if the new entity inherits some or all of the original franchise's players, staff, or draft picks. For example, the NHL's 2024 transfer of the Arizona Coyotes' hockey assets to Utah was characterized by the NHL as the creation of a new expansion franchise, not a relocation of the Coyotes, and would not resolve 'Yes' under a contract asking whether the Arizona Coyotes relocated to Utah."

<location>: <location> refers to a geographic area specified by the Exchange. This may include:

- A specific city (e.g., "Las Vegas," "Austin")
- A metropolitan area (e.g., "Greater Los Angeles Area," "San Francisco Bay Area")
- A state, province, or region (e.g., "California," "Ontario," "the Pacific Northwest")
- A country or broader geographic region (e.g., "Canada," "Europe")
- Multiple locations using OR logic (any one qualifies) or AND logic (all must apply)
- Locations identified by distinguishing characteristics (e.g., "outside the United States")
- "Any location" or "any new location" (meaning any location different from the franchise's current primary location)

For purposes of this Contract, <location> shall be determined by where the franchise establishes its primary home venue for regular season games, not by temporary playing locations, training facilities, or corporate headquarters unless otherwise specified.

<time period>: <time period> refers to a specific range of time as specified by the Exchange. This may be defined by exact dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), a season designation (e.g., "during the 2026-27 season," "by the start of the 2028 season"), or broader intervals (e.g., "Q1–Q2 2027," "within the next five years"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. <time period> may also refer to "Any" or "None", to multiple dates (even if non-consecutive), or to a singular and discrete date or time.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <sporting franchise> relocates to <location> <time period> as its primary home location for its regular season games.

For purposes of this Contract, "<sporting franchise> relocates to <location>" means that at least one of the following has occurred <time period>:

1. The relevant league's governing body (e.g., a vote by the league's board of governors or equivalent body) has granted final approval for <sporting franchise> to relocate its primary home to <location>, as reported by a Source Agency; OR

2. An official public announcement has been issued by the franchise, its ownership group, or the league, stating that <sporting franchise> will relocate its primary home to <location>, provided that the announcement has not been retracted or rescinded before the Expiration Date; OR
3. <sporting franchise> has commenced playing regular season home games at a venue in <location> as the franchise's new designated primary home venue.

Any one of conditions (1), (2), or (3) is independently sufficient for the Contract to resolve "Yes." The Contract does not require that games actually be played in <location> within <time period> if condition (1) or (2) is satisfied within <time period>.

The following do NOT count as relocations:

- Playing games in <location> on a temporary basis due to stadium renovations, natural disasters, emergencies, or as part of an international series or neutral site games (e.g., NFL London games, NBA Paris games).
- Moving only non-game operations to <location> (e.g., practice facilities, corporate headquarters, or training camps) while continuing to play regular season home games elsewhere, unless explicitly specified otherwise in the Contract.
- Playing a portion of a season's home games in <location> while maintaining another location as the primary home venue, unless <location> is explicitly designated as the new primary home by the franchise or league.
- Announcements of intent, exploratory discussions, or proposals that are not confirmed as approved relocations.
- Ownership changes, name changes, or rebranding without a change in primary home location.

● Timing considerations:

- If <time period> is defined by a season (e.g., "by the 2027 season"), the Contract resolves "Yes" if the franchise plays its regular season home games in <location> during that season, or if an official announcement confirming relocation to <location> for that season is made by a Source Agency.
- If the franchise announces a relocation to <location> within <time period> but the actual move (commencement of play) occurs after <time period>, the Contract resolves based on whether a confirmed announcement was made within <time period>, unless the Contract specifically requires that games be played in <location> within <time period>.
- If a league grants preliminary, conditional, or contingent approval for a relocation — for example, approval subject to completion of stadium financing, satisfaction of government permits, or other specified conditions — such conditional approval alone does not satisfy condition (1) unless the league characterizes its approval as final. If the league

subsequently grants final, unconditional approval within <time period>, condition (1) is satisfied at the time of that final approval.

- If <location> is defined as a city, the franchise's primary home venue must be within the city limits or within the commonly recognized metropolitan statistical area (MSA) of that city, as determined by the Exchange.
- If <location> is defined as a metropolitan area or region, the franchise's venue must be within the commonly recognized boundaries of that area as determined by the Exchange.
- Cross-border relocations (e.g., from the United States to Canada) qualify if they meet the definition of <location>.
- If <sporting franchise> refers to multiple teams (e.g., "any NBA team"), the Contract resolves "Yes" if at least one team relocates to <location> unless otherwise specified.
- If <location> refers to multiple locations (e.g., "California or Nevada"), the Contract resolves "Yes" if the franchise relocates to any of the specified locations.
- If <sporting franchise> ceases operations, dissolves, or has its franchise rights revoked during <time period>, the Contract resolves "No" unless the franchise had already relocated to <location> prior to cessation.
- If a new franchise is awarded to <location> but it is not a relocation of the specified <sporting franchise> (i.e., it is an expansion team), the Contract resolves "No."
- If <sporting franchise> plays a portion of its home schedule in <location> and a portion elsewhere within <time period>, the Contract resolves based on whether <location> is designated as the primary home location by the franchise or league.

Examples that WOULD resolve to "Yes":

- <sporting franchise> receives league approval to relocate to <location> and the announcement is confirmed by the league within <time period>.
- <sporting franchise> officially announces relocation to <location> to take effect within <time period>, as confirmed by multiple Source Agencies.

Examples that would NOT resolve to "Yes":

- <sporting franchise> plays a few games in <location> as part of an international series but remains based elsewhere.
- <sporting franchise> explores or proposes relocation to <location> but does not receive approval or make an official announcement within <time period>.
- <sporting franchise> moves its practice facility to <location> but continues playing home games elsewhere.
- A new expansion franchise is awarded to <location>, but <sporting franchise> does not relocate.
- <sporting franchise> announces relocation plans to <location> after <time period> ends.

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 the final day of <time period>. 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 the final day of <time period>. 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 7.1 of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 7.1 in the Rulebook.