Polymarket US

QCX LLC d/b/a Polymarket US

VIA CFTC PORTAL

November 26, 2026

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: QCX LLC CFTC Regulation 40.6(a) Certification: Amendment to the Polymarket US Rulebook
PMX-2026-77

Dear Mr. Kirkpatrick:

QCX LLC d/b/a Polymarket US ("Polymarket US" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or the "Commission") and its Division of Market Oversight ("DMO") of a market emergency ("Emergency") and of the adoption of a temporary emergency rule pursuant to Commodity Exchange Act ("CEA") Section 5c(c), CFTC Regulation 40.6(a)(6), and Polymarket US Rule 2.8. The Emergency arises from cease-and-desist letters dated November 10, 2026 (the "Cease and Desist Letters") from the Utah Office of the Attorney General to Polymarket US and the founder of the Exchange's parent company Blockratize, Shayne Coplan, individually. The letters demand that they stop offering event contracts to persons in Utah and threaten criminal prosecution of both the Exchange and the founder of the Exchange's parent company Blockratize, Inc., Shayne Coplan, if they do not comply.

The Cease and Desist Letters, signed by Utah's Criminal Deputy Attorney General, assert that by offering event contracts to individuals in Utah, Polymarket US is engaged in "online gambling promotion" in violation of Utah Code § 76-9-1404 and article VI, section 27 of the Utah Constitution. The letters demand that Polymarket US and the founder of the Exchange's parent company Blockratize, Shayne Coplan: (1) cease providing, and offering to provide, any form of online gambling to individuals in Utah; (2) void any pending wagers; and (3) confirm compliance in writing within seven days. They state that failure to comply may result in criminal prosecution without further notice, and they attach the criminal complaint the State filed in *State of Utah v. KalshiEX LLC*, Case No. 261912852, as an example of that prosecution. The letters rely on *KalshiEX LLC v. Cox*, 2026 WL 2241564 (D. Utah Aug. 4, 2026) (appeal pending), in which the U.S. District Court for the District of Utah held that the CEA does not preempt Utah's gambling laws as applied to event contracts. Polymarket US obtained an extension of the compliance deadline to December 2, 2026.

The Cease and Desist Letters follow a series of actions by the State against KalshiEX LLC ("Kalshi"). In February 2026, Kalshi sued Utah officials seeking a declaration that the CEA preempts Utah's anti-gambling laws. On August 4, 2026, the District Court entered summary judgment against Kalshi and concluded that the CEA does not preempt Utah's enforcement of its anti-gambling laws. In September 2026, a motions panel of the U.S. Court of Appeals for the Tenth Circuit denied Kalshi's emergency motion for an injunction pending appeal. At around the same time, the Utah Attorney General opened a criminal investigation, filed a civil action against Kalshi on October 20, 2026, and on October 28, 2026 filed fourteen criminal charges, including thirteen felony counts, against Kalshi and two of its co-founders individually. In late October 2026, the Commission sued Utah in Utah Federal District Court and moved for a temporary restraining order and a preliminary injunction to bar Utah from enforcing its gambling laws against event

contracts traded on CFTC-registered exchanges. The District Court heard argument on the temporary restraining order on November 20, 2026 and, as of the date of the filing, has not ruled.

Following the criminal charges, several other operators restricted access to event contracts for persons located in Utah, and on or about November 23, 2026, Kalshi blocked access for persons in Utah. On November 23, 2026, the Utah Attorney General moved to dismiss the criminal charges against Kalshi without prejudice, stating that the charges can be refiled if Kalshi resumes offering its prediction markets in Utah. The Utah Attorney General has also stated that seven companies have agreed to stop operating in Utah and that the offices will continue to enforce Utah's gambling laws against other prediction market operators. With no ruling on the Commission's request, Polymarket US has no judicial relief available before the December 2, 2026 compliance deadline. Absent action, Polymarket US and the founder of the Exchange's parent company Blockratize, Shayne Coplan, face a credible and imminent threat of criminal prosecution.

Polymarket US maintains that its listed event contracts are subject to the exclusive jurisdiction of the Commission under the CEA, and it supports the Commission's pending action against Utah. Nothing in this submission constitutes an admission that Utah law applies to Polymarket US or its contracts.

Responding to the Emergency requires the Exchange to restrict trading access for one category of participants, persons located in Utah, in three categories of contracts, sports, entertainment and culture, and politics contracts based on geography rather than on any contract term, market condition, or participant conduct. Absent emergency action, Polymarket US's Rules do not provide a standing mechanism for restricting a geographic subset of participants to liquidating-only transactions while trading continues for all other participants.

Without a uniform, transparent rule governing the restriction, affected participants could be left unable to manage or exit existing positions, and the Exchange could face inconsistent treatment of otherwise uniform contracts. Permitting Utah-located participants to close existing positions, while barring new positions, preserves their ability to manage risk. The restriction does not require the forced close-out of any existing position.

As a designated contract market registered with the Commission, Polymarket US is subject to the core principles set forth in Section 5(d) of the CEA, 7 U.S.C. § 7(d), and implementing regulations under 17 CFR Part 38. DCM Core Principle 2 (Compliance with Rules) requires the Exchange to establish, monitor, and enforce compliance with Exchange rules, including rules governing the conduct of participants and the operations of the market. DCM Core Principle 6 (Emergency Authority) provides that, in consultation or cooperation with the Commission, the Exchange shall adopt rules to provide for the exercise of emergency authority, including the authority to suspend or curtail trading.

Under 17 CFR § 40.1, an "emergency" includes any occurrence or circumstance that, in the opinion of the governing board of a registered entity (or a person duly authorized to issue such an opinion on behalf of the governing board), requires immediate action and threatens or may threaten the fair and orderly trading in, or the liquidation of or delivery pursuant to, any agreements, contracts, or transactions. The definition encompasses, among other things, any action taken by any governmental body that may have a direct effect on trading or clearance and settlement.

Polymarket US Rule 2.8(c)(iv) likewise defines an "Emergency" to include "any action taken by the United States or foreign regulatory, judicial, arbitral, governmental (whether national, state or municipal) body . . . that may affect the ability of a Participant to perform on Contracts or otherwise have a direct and material impact on trading on the Exchange." Rule 2.8(c)(vii) further includes "any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and

threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on the Company."

Rule 2.8(a) authorizes the Chief Executive Officer, or any individual designated by the Chief Executive Officer, to place into immediate effect a temporary emergency rule of up to thirty (30) calendar days, subject to consideration and approval by the Board of Directors as soon as reasonably practicable within that period. Rule 2.8(d) authorizes actions including (v) suspension and curtailing of trading. Rule 2.8(g) requires the Exchange to make every effort practicable to notify the Director of DMO before implementing a temporary emergency rule and, if prior notice is not possible, no more than 24 hours after implementation.

The Cease and Desist Letters are a governmental action directed at Polymarket US and the founder of the Exchange's parent company Blockratize, Shayne Coplan, within the meaning of 17 CFR § 40.1 and Rule 2.8(c)(iv), and they have a direct and material impact on trading in sports, entertainment and culture, and politics contracts on the Exchange. The circumstances also fall within Rule 2.8(c)(vii). The required actions implicate Polymarket US's obligations under DCM Core Principles 2, 4, 6, 7, 8, and 9.

Pursuant to Rule 2.8(a), on November 24, 2026, the Chief Executive Officer determined that an Emergency exists and placed into immediate effect the following temporary emergency rule (the "Emergency Rule"), effective no later than 7:00 p.m. Eastern time on December 2, 2026:

1. Liquidation-only status. All participants whom the Exchange identifies, based on the internet protocol ("IP") address from which they access the Exchange, as located in the State of Utah are placed in liquidation-only status for all Restricted Contracts. Such participants may submit only orders that reduce or close an existing position in a Restricted Contract and may not open new positions or increase existing positions in Restricted Contracts.
2. For purposes of this Emergency Rule, "Restricted Contracts" means contracts that the Exchange has categorized as sports, entertainment and culture, and politics contracts on the Trading System or in the applicable contract specifications.
3. Cancellation of working orders. Any working order in a Restricted Contract from a person located in Utah that would open or increase a position will be cancelled.
4. Existing positions unaffected. The Emergency Rule does not require the cancellation or forced close-out of any existing position. Utah-located participants may close their existing positions in Restricted Contracts at any time, and positions not closed will settle in accordance with their terms.
5. No effect on other contracts or participants. The Emergency Rule does not alter the terms, settlement, or collateralization of any contract. Utah-located participants may continue to trade all contracts other than Restricted Contracts, and trading in Restricted Contracts continues unaffected for all participants not located in Utah. The Emergency Rule does not restrict account opening, deposits, or withdrawals.
6. Duration. The Emergency Rule will remain in effect for thirty (30) calendar days from its effective date, through January 2, 2027, unless terminated earlier, and may be extended in accordance with Rule 2.8(a). The Exchange will terminate or modify the Emergency Rule if a court enjoins the State of Utah from enforcing its gambling laws against event contracts traded on CFTC-registered exchanges, or if the Exchange otherwise determines that the Emergency has abated, and will notify the Commission of any termination, extension, or modification.

The Board of Directors has considered and approved the Emergency Rule on November 25, 2026, and the rationale for invoking emergency authority has been documented in accordance with Rule 2.8(a).

Polymarket US

Pursuant to CFTC Regulation 40.6(a)(6), Polymarket US certifies that the Emergency Rule complies with the CEA and the Commission's regulations thereunder. Polymarket US further certifies that a notice of pending certification and a copy of this submission have been posted on the Exchange's website concurrently with this filing.

The Exchange welcomes the opportunity to discuss the situation with DMO and to coordinate as appropriate in connection with the Emergency Rule and any further action that may be taken.

If you have any questions or comments or require further information, please do not hesitate to contact me.

Sincerely,

/s/ Megan McGrath
Chief Compliance Officer
Polymarket US
Email: megan@polymarket.com