Polymarket US

QCX LLC d/b/a Polymarket US

VIA CFTC PORTAL

November 13, 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-2026-72

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 a Stipulation and Order (the "Stipulation") filed on October 26, 2026 in *QCX LLC, d/b/a Polymarket US v. Nessel et al.*, Case No. 1:26-cv-00710-PLM-PJG (W.D. Mich.) (Hon. Paul L. Maloney presiding), between Polymarket US and the Michigan Attorney General and members and Executive Director of the Michigan Gaming Control Board (collectively, "Defendants").

Polymarket US filed its complaint on March 4, 2026, seeking declaratory and injunctive relief against Michigan's enforcement of state gambling laws against the Exchange. The Court denied Polymarket US's motion for a temporary restraining order on March 10, 2026 and its motion for a preliminary injunction on June 17, 2026. Polymarket US appealed the preliminary injunction denial to the U.S. Court of Appeals for the Sixth Circuit (QCX, LLC v. Nessel, No. 26-1552) (the "Polymarket Appeal"). On September 10, 2026, the Michigan Department of Attorney General threatened legal action against Polymarket US if it did not cease offering sports-related contracts to Michigan residents. On September 25, 2026, the Sixth Circuit affirmed the denial of a preliminary injunction in KalshiEX LLC v. Schuler, No. 26-3196, and vacated the preliminary injunction entered in KalshiEX LLC v. Orgel, No. 26-5235 (together, the "Kalshi Decision").

Under the Stipulation, Polymarket US has agreed to the following, in exchange for Defendants' agreement not to bring any enforcement action against Polymarket US with respect to the listing, offering, sale, permitting, or trading of sports-related contracts while Polymarket US complies:

1. Cessation of new contracts. Polymarket US will cease offering new sports-related contracts in Michigan by October 26, 2026, end of day Eastern time, and refrain from offering such contracts thereafter, unless and until (a) the Polymarket Appeal is finally resolved by the Sixth Circuit or the Supreme Court (including by

2. denial of certiorari), or the Kalshi Decision is vacated, reversed, or overruled; or (b) the parties agree in writing that Polymarket US may resume.

3. Close-out of open positions. Polymarket US will close any open sports-related contracts held by Michigan residents that have not been closed out voluntarily by the customer by November 25, 2026, end of day Eastern time, unless before that date one of the conditions in 1 (a) or (b) above occurs, or the parties agree in writing that some or all such contracts need not be closed.

Complying with the Stipulation requires the Exchange to restrict access to, and ultimately close out, positions in a defined set of contracts for one category of participants, based on residence in a single state 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 closing out a subset of participants' open positions in otherwise uniform, fully collateralized contracts while trading continues for all other participants.

The forced close-out of Michigan residents' open positions before contract expiration may affect the fair and orderly trading in, and liquidation of, the affected contracts. In particular, a concentrated volume of required closing orders near the November 25, 2026 deadline could create one-sided order flow, widen spreads, and move prices away from levels reflecting the underlying event probabilities. These effects would extend to non-Michigan participants trading the same contracts. Emergency action is therefore necessary to provide an orderly, transparent, and uniformly applied process for the close-out, consistent with the Stipulation and with the Exchange's obligations to all participants.

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 liquidate or transfer open positions, suspend or curtail trading, and require market participants to meet special margin requirements. 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 (ii) reduction of positions and exposure by Participants to certain Contracts and (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 Stipulation constitutes a governmental and judicial action within the meaning of 17 CFR § 40.1 and Rule 2.8(c)(iv) that has a direct and material impact on trading in, and the liquidation of, sports-related contracts on the Exchange. 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 [date], the Chief Executive Officer determined that an Emergency exists and placed into immediate effect the following temporary emergency rule (the "Emergency Rule"), effective November 13, 2026:

1. Restriction on new positions. Participants whom the Exchange has identified as Michigan residents may not open new positions in sports-related contracts. Such accounts are placed in liquidation-only status with respect to sports-related contracts and cannot open new positions in sports-related contracts.
2. Voluntary close-out period. Through November 25, 2026, end of day Eastern time, affected Michigan residents may close their open positions in sports-related contracts by trading on the Exchange in the ordinary course. The Exchange will notify affected account holders of the Emergency Rule and the close-out deadline by email.
3. Mandatory close-out. Any position in a sports-related contract held by a Michigan resident that remains open may be closed out on or before November 25, 2026, end of day Eastern time.
4. The Emergency Rule does not alter the terms, settlement, or collateralization of any Contract, and trading in sports-related contracts continues unaffected for all participants who are not Michigan residents.
5. Termination conditions. The Exchange will terminate or modify the Emergency Rule, including by suspending the mandatory close-out in paragraph 3, if before November 25, 2026 (a) the Polymarket Appeal is finally resolved or the Kalshi Decision is vacated, reversed, or overruled, or (b) the parties to the Stipulation agree in writing that some or all such contracts need not be closed.
6. Duration. The Emergency Rule will remain in effect for thirty (30) calendar days from its effective date, or until terminated earlier, and may be extended in accordance with Rule 2.8(a).

The Board of Directors has considered and approved the Emergency Rule on November 13, 2026, and the rationale for invoking emergency authority has been documented in accordance with Rule 2.8(a).

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.

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