Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

April 2nd, 2026

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

Re: Advance Notice of Proposed Rulemaking — Prediction Markets, RIN 3038-AF65
Comment of Jeromee (JJ) Johnson, Tellus App, Inc.

Dear Secretary Kirkpatrick:

I respectfully submit this comment in response to the Commission's Advance Notice of Proposed Rulemaking on prediction markets (the "ANPRM"), published March 12, 2026. I write in my capacity as the day-to-day strategic and operating leader of Tellus App, Inc., a real estate-powered consumer financial technology company. Tellus operates three integrated pillars: high-yield consumer cash accounts, property management software, and residential real estate lending — each grounded in the same foundational asset — residential real estate as the source of yield, data, and collateral. I also write as a former markets practitioner who has operated inside the regulatory frameworks and market mechanics this ANPRM seeks to clarify.

My career in market structure spans more than two decades. I co-founded 3D Markets, the first U.S. equity options dark pool. I subsequently served as Head of Options Exchange at BATS Global Markets, where I ran the exchange during and after the May 6, 2010 Flash Crash — one of the most consequential market structure events of the modern era. During my time at BATS, I had occasion to assist the CFTC's Technology Advisory Committee, contributing to the Commission's work on high-frequency trading, circuit breaker harmonization, and cross-market linkages between equity, options, and futures markets. I personally led the industry-wide effort to rewrite and harmonize the exchanges' Clearly Erroneous and Obvious Error rules — work that remains embedded in the market structure that governs trading today. I hold those contributions to the industry and to the Commission's institutional knowledge with professional pride.

I do not come to this prediction market commentary as a critic of innovation. I am, in many ways, a market structure enthusiast. A pure prediction market — one that aggregates dispersed information into a price signal around events with genuine economic consequence — is one of the most efficient market forms available. I applaud platforms like Polymarket for returning to the U.S. market under a regulated framework. The Commission was right to defend its jurisdiction against those who would have prediction markets exist outside any federal oversight. I built, ran, and scaled derivatives exchanges. I understand what the Commodity Exchange Act

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

was designed to do, and why. That background is precisely what compels me to file this comment.

A necessary disclosure: neither Tellus nor I seek CFTC regulation, special treatment, or competitive advantage through this proceeding. Tellus is not CFTC-regulated and is not seeking to be. I submit this comment because gambling-like event contracts are increasingly placed in the same digital financial environment used by ordinary savers — alongside savings accounts, brokerage tools, and payment functions — and consumers deserve protections that match product function rather than product label. Consumer protection is the reason for this filing. The economic purpose test is the legal mechanism I believe the Commission should use to get there.

I. INTRODUCTION: WHY THIS PRACTITIONER IS FILING

The ANPRM's 40 questions span genuine regulatory complexity. I will not address all of them. This comment focuses on two areas where I believe I can offer the Commission something it hears infrequently in a proceeding of this kind: market structure credentials applied to a consumer protection argument, and a practitioner's read on the foundational question the ANPRM has correctly identified but not yet resolved.

Chairman Selig stated at the January 29 Project Crypto event that investor protection, anti-fraud, and market integrity remain the Commission's "north star." I take that statement seriously. This comment is an attempt to help the Commission honor it.

I also note with deep and genuine appreciation the Commission's joint Project Crypto initiative with the SEC. Jurisdictional clarity — the reduction of what Chairman Atkins has aptly called the "no man's land" between agencies — serves market participants and consumers alike. The Commission's instinct toward harmonization and responsible innovation is the right instinct. The question raised here is whether the current event contract framework provides the tools to make that innovation genuinely responsible.

II. THE MISSING HEDGER TEST

(Responding primarily to ANPRM Questions 9, 10, 33)

The Commodity Exchange Act was not an accident of legislative drafting. It emerged from a specific historical purpose: to regulate derivative contracts that allow commercial actors to hedge legitimate economic risk. The foundational premise — codified in former CEA Section 5(g) before the 2000 Commodity Futures Modernization Act removed it "at the urging of industry,"

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

as the Senate floor record reflects[1] — was that a contract deserved federal derivatives regulation if and only if it served commercial hedging or price-basing functions.

That test was repealed. And for commercial swaps, OTC derivatives, and exchange-traded financial instruments, its repeal made sense. Those products had natural hedgers on both sides of the transaction: banks with rate exposure, corporations with currency risk, institutions with credit obligations. The framework built for sophisticated commercial risk transfer was appropriate for sophisticated commercial risk transfer.

I should be precise here: speculation itself is not the problem. Large, efficient markets have always allowed speculators to participate and speculators provide liquidity that makes more efficient hedging possible. A futures market with ***only hedgers*** is a very illiquid and inefficient market. The question is not whether speculation exists in a market — it is whether the market is grounded in it. When speculation is the purpose, rather than just one component of a natural price discovery and liquidity mechanism, the foundational rationale for the CEA's protections — and its preemptions — no longer holds.

The ANPRM asks, through Question 9, whether elements of the economic purpose test should be revived for event contracts. I believe the answer is yes — and that the test answers itself when applied to the dominant category of current prediction market volume.

The test is simple: ***who is the natural hedger on the other side of a sports event contract?***

I live in Kansas City. It would be fantastic to see another Royals deep playoff push. But if I buy "Kansas City Royals win the AL Central" at 20 cents, who on the other side of that trade has legitimate economic exposure they are hedging? Is there a merchandise distributor managing inventory risk on Royals gear? A stadium operator hedging concessions revenue against a loss? The answer is plainly no. There is no natural hedger. There are two speculators making opposite bets. That is not a derivatives market. That is a zero-sum betting pool wearing a regulatory wrapper.

A corn farmer selling next summer's harvest forward is managing real economic risk. A television announcer contract — whether the phrase "What a Catch" will be uttered during an NFL broadcast, which is a listed contract on a CFTC-registered DCM — is not managing anyone's economic risk. It might be entertaining, but it is surely pure speculation, laundered through a framework designed for something entirely different.

The scale of this displacement is not hypothetical. By late 2025 and early 2026, industry data and analyst reporting indicated that sports-related event contracts constituted roughly ninety percent of trading volume — and an estimated eighty-nine percent of 2025 fee revenue — on the largest CFTC-registered prediction market platform.[2] That is not a derivatives market with some

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

entertainment products around the edges. That is a retail sportsbook operating under a federal derivatives license.

I want to draw an important distinction here, because intellectual honesty requires it. Many event contracts absolutely do satisfy a hedging rationale. A contract on the Federal Reserve's rate decision has institutional participants — banks, fixed income managers, corporations with floating rate debt — who have genuine economic exposure and for whom that contract provides legitimate risk transfer. A contract on a major U.S. election outcome has global investors managing exposure to U.S. policy risk, currency hedgers, and multinationals with earnings sensitivity to regulatory and tax environments. Those contracts have natural hedgers. Their presence in a federal derivatives framework is defensible. The Commission should recognize this explicitly — and the distinction should drive the rulemaking.

The Commission should establish, in this rulemaking, a formal standard requiring that any event contract eligible for listing on a DCM demonstrates a credible class of market participants with legitimate economic exposure to hedge. Contracts structured around financial indices, Fed rate decisions, macroeconomic outcomes, and policy events with direct economic consequence can easily satisfy this test. Sports outcome contracts, entertainment event contracts, and political contracts tied to discrete individual outcomes where no natural economic hedger exists cannot.

This is not a novel argument. It is the foundational argument of the Act itself, applied to a new context. The Commission already has authority to make this determination under its public interest mandate. Question 9 is an invitation to use it.

I recognize that proposing a standard begs for, at minimum, a sketch of how it would operate. I believe the test I am describing is fully and easily administrable within the Commission's existing framework. The burden would fall on the DCM at the point of self-certification: a DCM seeking to list an event contract would be required to identify, in its self-certification submission, a credible class of market participants with legitimate economic exposure to the underlying event — participants for whom the contract would serve a bona fide hedging or risk-transfer function. The Commission would evaluate, as needed on a case-by-case basis, the submission under its existing authority to review self-certified contracts for compliance with the Commodity Exchange Act and DCM core principles, including Core Principle 3 (prohibition of manipulation) and Core Principle 12 (prohibition of abusive practices). Contracts tied to macroeconomic events, monetary policy, weather, and commodity indices can be presumed to easily satisfy this test. Contracts tied to discrete sporting, entertainment, or individual-outcome events — where, broadly, no commercial hedger can be credibly identified — should generally fail this test. Edge cases will, of course, exist, as they do in every regulatory framework; the DCMs, operating in good faith under this rule and the Commission will have the institutional expertise and the discretion to draw those lines. The absence of a bright-line rule is not a reason to forgo all standards. It is a reason to adopt one that permits case-by-case judgment within a principled framework.

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

III. THE CONSUMER PROTECTION GAP

(Responding primarily to ANPRM Questions 19, 20, 23)

Sports and entertainment event contracts are not abstract policy questions. They are products now embedded in the financial applications of everyday Americans — one swipe from retirement accounts on Robinhood, one tap away from salary deposits on most bank apps.[3]

The practical consumer experience matters here. On the platforms where these contracts are offered, they sit alongside — and in some cases within — brokerage accounts, savings tools, and payment functions. A twenty-two-year-old opening Robinhood to check a retirement contribution is one swipe from a prediction market contract on Saturday's college football game. A Cash App user receiving a direct deposit paycheck can fund a Kalshi sports contract without leaving the application. These consumers have no reason to know — and the platforms have no obligation to tell them — that the regulatory protections governing their savings account, their brokerage account, and their prediction market wager are entirely different. When something goes wrong, they will not know where to complain, what recourse exists, or which regulator — if any — has jurisdiction over their loss.

The Commission's consumer protection mandate requires that the framework it builds for these products actually protect the consumers who use them. Trading volume on prediction market platforms exceeded one billion dollars on the Super Bowl alone in 2026 — a 2,700% increase over the prior year.[4]

The data tells a specific story. According to the National Survey on Gambling Attitudes and Gambling Experiences (NGAGE 3.0), the gold-standard national survey on this topic, 2.5 million U.S. adults meet clinical criteria for severe gambling disorder in any given year, with 5 to 8 million more exhibiting mild or moderate problematic behavior.[5] The survey explicitly identifies the highest-risk demographic as: young adults, males, online gamblers, and sports bettors. That is a precise description of the core prediction market user base.

Peer-reviewed research published in the Journal of Gambling Studies confirms that ***only*** 24% of 18 to 24-year-old gamblers show ***no*** signs of problematic play — compared to 91% of gamblers over 65.[6] Adolescents and young adults who gamble develop a disorder at rates of 4 to 8%, a range confirmed by peer-reviewed literature reviews and a comprehensive meta-analysis encompassing 124 independent data estimates across more than 70 studies.[7] Problem gambling carries the highest rate of suicide of any behavioral addiction; one in five problem gamblers attempts suicide.[8] The 2024 Lancet Public Health Commission on Gambling — the most comprehensive international assessment of gambling-related harm to date — concluded that governments should treat gambling as a public health issue on par with alcohol and tobacco, and

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

estimated that approximately 80 million adults worldwide experience gambling disorder or problematic gambling.[9]

The prediction market platforms have not built their products to address this population. They are building their products to reach the broadest population possible.

A January 2026 American Gaming Association survey found that 28% of sports event contract users describe their activity as "investing" — three times the rate of traditional sportsbook users. Twenty-five percent fund their prediction market activity from their investment budget. Seventy-eight percent believe state regulators could resolve disputes on their behalf — on a platform that operates entirely outside state regulatory frameworks.[10] This is not a theoretical consumer harm. It is documented, quantified confusion at scale, manufactured by deliberate platform messaging that the Commission's own ANPRM implicitly acknowledges when it asks about "abusive sales practices" and "responsible gaming" standards.

I note one distinction that I believe is meaningful. When consumers describe a bank CD as an "investment," or describe depositing money into a high-yield cash account as "investing in their savings," they are using the word colloquially — and accurately in spirit if not in fact. They're earning a defined return for saving money, not because a manager is making skillful bets on their behalf. That is categorically different from what the AGA survey documents among prediction market users: consumers believe they are participating in an investment product, with financial protections and regulatory oversight that do not in fact exist. One is an imprecise word choice. The other is a manufactured misimpression with real financial consequences for vulnerable consumers.

Truist analyst data from January 2026 indicates that 18 to 20-year-olds — who cannot legally gamble in most states — may be contributing significantly to prediction market growth.[11] The data point: Kalshi takes more trades on college football than on NFL or NBA games. Prediction market platforms carry no age verification infrastructure equivalent to state-licensed sportsbooks. There is no required exclusion list. There is no required loss limit. There is no consumer complaint mechanism with meaningful teeth.

The Commission asks in Question 19 whether responsible gaming standards — self-exclusion, time and monetary limits, advertising restrictions — should be part of the regulatory framework. The answer is clearly yes. The states have spent decades building these frameworks through hard experience with problem gambling consequences — frameworks that reflect genuine public health expertise and legislative deliberation.[12] The Commission need not build this infrastructure from scratch; it can require that DCMs listing gaming-related event contracts comply with standards equivalent to those that govern the licensed gaming operators with whom they are now directly competing. The fact that prediction market operators have structured their products to circumvent those frameworks does not make those protections less necessary. It makes them

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

more urgent. Consistent regulatory treatment across functionally identical products is a basic principle of regulatory fairness.

I lead a company whose customers are the Americans this rulemaking will affect. Our savers are working people seeking real yield that they earn — by hitting savings goals, building reserves, and engaging with their own financial health. That is the opposite of a bet on whether a quarterback throws for more than 247.5 yards on Sunday. We build our products for the same demographic that prediction markets are now actively recruiting. I know what responsible consumer financial product design looks like. I know what it does not.

IV. THE REGULATORY LEGITIMACY PROBLEM

(Responding primarily to ANPRM Questions 7, 8, 20)

In 1989, Major League Baseball permanently banned one of the greatest players in the history of the sport from any formal participation in the game he defined. Pete Rose had bet on baseball. Baseball did not call it price discovery. Baseball did not call it event contract trading. Baseball called it what it was — gambling — and for thirty-five years that judgment stood as one of the sport's most serious institutional commitments to integrity.

On March 19, 2026 — one week after this ANPRM was published — the Commission signed the first-ever memorandum of understanding between a federal financial regulator and a professional sports league, establishing an integrity framework with Major League Baseball for prediction market event contracts on game outcomes. The same day, MLB named Polymarket its exclusive prediction market exchange partner in a commercial agreement reportedly valued at up to $300 million.[13]

I raise this not to be glib. I raise it because the Commission itself is now grappling with the question Pete Rose's case made unavoidable: when does wagering on a sporting outcome cross from legitimate market function to something a regulated institution should not countenance? Baseball answered that question for thirty-five years. The Commission is now in the business of answering it differently — for the same underlying activity — and the analytical framework for that answer deserves the Commission's most serious attention.

The current growth of prediction markets is being driven, in significant part, by regulatory arbitrage. CFTC registration carries federal preemption of state gambling laws. Platforms that could not operate in Nevada, Massachusetts, or Connecticut as licensed gaming operators are operating in those states under a federal derivatives license.[14] The product is functionally identical to what those states regulate as gambling. The regulatory treatment is not.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

Traditional derivatives markets also attract retail participants, and appropriately so — retail investors have long participated in futures and options markets. But they have done so within a framework that requires the market itself to serve a legitimate commercial purpose. The question is not whether retail participants belong in markets the Commission oversees. It is whether a market whose dominant volume is sports outcome speculation — and whose operators have explicitly structured it to circumvent state consumer protection laws — belongs in the federal derivatives framework at all.

The Commission's ANPRM correctly acknowledges that exclusive federal jurisdiction is not the same as appropriate federal jurisdiction. The question is not merely whether the CFTC can regulate these products. The question is whether the derivatives regulatory framework — built for commercial risk management — is the right institutional home for products that function as retail entertainment gambling, structured to reach the population most vulnerable to gambling harm.

If the framework is colonized by products that cannot satisfy the foundational economic-purpose rationale of derivatives regulation, the integrity of the entire regime is weakened. The Commission has an interest in protecting that institutional integrity that extends far beyond any individual product category. So do the American people.

V. WHAT RESPONSIBLE INNOVATION ACTUALLY LOOKS LIKE

(Responding primarily to ANPRM Question 11)

I want to be precise about what I am asking the Commission to do — and what I am not asking.

I am not asking the Commission to ban prediction markets. Event contracts tied to financial indices, Federal Reserve policy decisions, macroeconomic outcomes, weather, commodities, and even certain political outcomes with direct economic consequence — contracts with genuine commercial hedging utility — serve clearly legitimate functions. The Commission's ANPRM itself draws useful distinctions along these lines. Those distinctions should be formalized, not abandoned.

I am asking the Commission to do three specific things in this rulemaking:

First, establish a formal economic purpose standard for event contract listing. Any contract listed on a CFTC-registered DCM should be required to demonstrate, at the time of self-certification, a credible class of participants with legitimate economic exposure to hedge. Contracts that cannot make this showing belong in a different regulatory framework — one with appropriate consumer protections for retail entertainment products — not in a federal derivatives

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

regime that confers nationwide preemption of state gambling law. Congress appears to be arriving at a parallel conclusion. On March 23, 2026, Senators John Curtis (R-UT) and Adam Schiff (D-CA) introduced the Prediction Markets Are Gambling Act — the first bipartisan legislation in the Senate seeking to prohibit CFTC-registered entities from listing contracts that resemble sports bets or casino-style games.[15]

Second, require a defined minimum consumer-protection standard as a condition of DCM registration for any event contract involving gaming-related outcomes. At minimum, any DCM listing such contracts should be required to maintain: age verification procedures equivalent to those required of state-licensed sportsbooks; self-exclusion mechanisms that allow consumers to voluntarily bar themselves from trading gaming-related contracts; spend, loss, or cooling-off controls that limit the pace and magnitude of consumer losses; and plain-language risk disclosures — presented at the point of transaction, not buried in terms of service — making clear that the product is speculative, that losses can be total, and that FDIC insurance, SIPC protection, and state gaming commission oversight do not apply. In addition, any such DCM should be required to maintain consumer complaint intake and referral protocols, including referral to relevant state consumer protection, banking, and gaming authorities; and periodic reporting to the Commission of consumer-protection metrics, including complaint volume, self-exclusion requests, age-verification failure rates, concentration of losses among individual users, and marketing and affiliate practices. These are not anti-innovation requirements. States have spent decades developing and refining responsible gaming frameworks through hard experience with problem gambling consequences. The Commission need not build this infrastructure from scratch; it can require that DCMs listing gaming-related event contracts comply with standards equivalent to those governing the licensed gaming operators with whom they are now directly competing. They represent the minimum infrastructure a responsible operator builds before inviting everyday Americans to speculate on sporting events. The Commission's own ANPRM identifies many of these tools. It should require them — and it should require the data to verify they are working.

Third, ensure that the consumer perspective is represented in the rulemaking process. The Commission's Innovation Advisory Committee brings significant industry expertise to this work, and the leading platforms can speak to certain aspects of user experience. This comment is offered in the spirit of ensuring that the independent consumer protection perspective — grounded in public health data, state regulatory experience, and the lived reality of the Americans most affected — is also squarely before the Commission as it develops its framework. The Commission should also ensure that its framework includes mechanisms for coordination and complaint referral with state consumer protection, banking, gaming, and public health authorities. Federal preemption of state gambling law should not mean federal preemption of state consumer protection. Where consumers are harmed by products that function as gambling — regardless of their regulatory classification — state authorities with relevant expertise should have access to complaint data, enforcement referrals, and a seat at the table in the Commission's ongoing oversight.

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

VI. CONCLUSION

I spent most of my career in derivatives markets. I have spent recent years building a company that serves American savers, consumers, and real estate investors — people who need a financial system that works for them, not one that gambles with their attention and their savings.

The Commission has an opportunity in this rulemaking to draw the line that other institutions have struggled to draw: between genuine financial innovation and entertainment speculation that has found a regulatory home it was not designed to occupy.

Chairman Selig said that investor protection, anti-fraud, and market integrity remain the Commission's north star. This comment asks the Commission to take that statement seriously — and to build a framework for event contracts that fully honors it.

The economic purpose test existed for a reason. That reason has not gone away.

Respectfully submitted,

Jeromee (JJ) Johnson

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

jj@tellusapp.com
2nd of April, 20206

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

Build for what's next.

Jeromee (JJ) Johnson is the day-to-day strategic and operating leader of Tellus App, Inc. Before Tellus, he served as Head of Options Exchange at BATS Global Markets, where he led the exchange through and after the May 6, 2010 Flash Crash and directed the cross-industry effort to harmonize circuit breaker and obvious error rules across U.S. exchanges. He co-founded 3D Markets, the first equity options dark pool in the United States, and subsequently led global markets at Miami International Holdings. He previously assisted the CFTC's Technology Advisory Committee on matters related to high-frequency trading and cross-market linkages.

Neither Mr. Johnson nor Tellus App, Inc. is regulated by the CFTC, seeks CFTC regulation, or seeks any direct regulatory or competitive benefit from the positions taken in this comment. Tellus operates consumer cash accounts, property management software, and residential real estate lending — product categories that do not overlap with prediction markets or event contracts. This comment is submitted in Mr. Johnson's individual capacity, informed by his professional experience in derivatives market structure and his current work serving American consumers in a regulated financial technology environment. The views expressed are his own.

Build for what's next.

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

ENDNOTES

[1] See Senate floor colloquy on the Commodity Futures Modernization Act of 2000: "The Commission needs the power to, and should, prevent derivatives contracts that are contrary to the public interest because they exist predominantly to enable gambling through supposed 'event contracts.'" (July 15, 2010, Senate floor colloquy on Dodd-Frank, restating the historical rationale.) See also FIA Webinar, Event Contracts (May 2023), at https://www.fia.org/sites/default/files/2023-05/FIA_Webinar_Event%20Contracts.pdf (documenting that the public interest and economic purpose tests in former CEA §5(g) "were repealed by the CFMA").

[2] On trading volume, public reporting in late 2025 and early 2026 placed sports at roughly 90% of Kalshi volume. See, e.g., "Prediction Markets Soar Ahead of 2026 Super Bowl," CBS News (Feb. 6, 2026) (quoting gaming industry consultant Dustin Gouker: "[b]etting on sports represents roughly 90% of trading volume on Kalshi"); see also Eric Ramsey, Legal Sports Report (citing LSR data analysis). On fee revenue, Daniel O'Boyle estimated that sports generated $234.6 million of Kalshi's $263.5 million in 2025 fee revenue (89%), based on applying Kalshi's published fee formula to 2025 platform data. See O'Boyle, "Kalshi 2025 Fee Revenue Analysis," InGame (Jan. 9, 2026).

[3] Alex Johnson, Fintech Takes, "💰 Prediction Markets" (Mar. 20, 2026) (documenting Robinhood's home-screen placement of prediction markets "one swipe away from retirement accounts" and Cash App's partnership with Kalshi for seamless account funding), available in CFTC comment record upon request.

[4] "Bipartisan bill seeks to ban sports betting on Kalshi and Polymarket," TechCrunch (Mar. 23, 2026), https://techcrunch.com/2026/03/23/bipartisan-bill-seeks-to-ban-sports-betting-on-kalshi-and-polymarket/ (citing Kalshi Super Bowl trading volume exceeding $1 billion, a 2,700% year-over-year increase). See also "Prediction markets soar ahead of 2026 Super Bowl," CBS News (Feb. 6, 2026); "AGA Estimates $1.76 Billion in Legal Sports Bets on Super Bowl LX," Yahoo Sports (Jan. 30, 2026).

[5] National Council on Problem Gambling, National Survey on Gambling Attitudes and Gambling Experiences (NGAGE 3.0) (2024), at https://www.ncpgambling.org/training/ngage-survey/ngage-3/. NGAGE 3.0 reports that 8% of American adults — nearly 20 million people — reported experiencing at least one indicator of problematic gambling behavior "many times" in the past year, and identifies young adults, males, online gamblers, and sports bettors as the highest-risk cohort requiring targeted intervention.

[6] Allen et al., "Links Between Gambling and Academic Performance Among Undergraduate College Students: A Scoping Review," Journal of Gambling Studies (2025), citing National Council on Problem Gambling (NCPG) 2023 data. Only 24% of 18–24 year old gamblers show

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

no signs of problematic play, compared to 91% of those 65 and older. Available at https://link.springer.com/article/10.1007/s10899-025-10440-9.

[7] The 4–8% range is reported in Calado & Griffiths, "Prevalence of Adolescent Problem Gambling: A Systematic Review of Recent Research," Journal of Gambling Studies (2017), and confirmed in Anagnostopoulos et al., "Gambling disorder in adolescents: prevalence, new developments, and treatment challenges," Current Opinion in Psychiatry (2018). For the most comprehensive meta-analytic synthesis, see Nowak, "A Meta-analytical Synthesis and Examination of Pathological and Problem Gambling Rates and Associated Moderators Among College Students, 1987–2016," Journal of Gambling Studies 34(2):465–498 (2018) (124 independent data estimates from 72 studies).

[8] Network for Public Health Law, "The Often-Unrecognized Public Health Impact of Gambling" (citing NCPG); see also Lancet Public Health Commission on Gambling (2024), https://www.sciencedirect.com/science/article/pii/S2468266724001269. NCPG estimates the annual national social cost of problem gambling at $14 billion, encompassing criminal justice, healthcare, job loss, and bankruptcy. NCPG FAQ at https://www.ncpgambling.org/help-treatment/faqs-what-is-problem-gambling/.

[9] Wardle H, Degenhardt L, Marionneau V, et al., "The Lancet Public Health Commission on gambling," Lancet Public Health (Oct. 16, 2024), https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00167-1/fulltext. The Commission's accompanying systematic review and meta-analysis further estimated that 448.7 million adults globally experience "any risk gambling" and that gambling disorder could affect 15.8% of adults and 26.4% of adolescents who gamble using online casino or slot products.

[10] American Gaming Association, Super Bowl Consumer Survey and Prediction Market Research (Jan. 30, 2026), summarized in "AGA warns growth of Super Bowl wagering faces challenges from prediction markets," CDC Gaming (Jan. 30, 2026), https://cdcgaming.com/aga-warns-growth-of-super-bowl-wagering-faces-challenges-from-prediction-markets/. See also American Gaming Association, "Americans to Legally Wager Estimated $1.76 Billion on Super Bowl LX" (Jan. 30, 2026), https://www.americangaming.org/americans-to-legally-wager-estimated-1-76-billion-on-super-bowl-lx/.

[11] "College students and teens could be fueling the prediction markets boom," CNBC (Jan. 15, 2026), https://www.cnbc.com/2026/01/15/prediction-markets-college-students-teens-could-be-fueling-the-boom.html (citing Truist analyst Barry Jonas and HoldCrunch data showing Kalshi takes more trades on college football than NFL or NBA).

[12] See, e.g., American Gaming Association, Responsible Marketing Code for Sports Wagering (documenting industry-standard responsible gaming requirements including age verification,

Tellus App, Inc.
809 Cuesta Dr, Suite #200 B
Mountain View, CA 94040

Direct: +1 650 590 9770
www.tellusapp.com

self-exclusion, loss limits, and advertising restrictions that apply to all licensed sportsbook operators). Available at https://www.americangaming.org.

[13] MLB Press Release, "MLB Names Polymarket Exclusive Prediction Market Exchange Partner and Signs Agreement with CFTC to Establish Integrity Framework" (Mar. 19, 2026), https://www.mlb.com/press-release/press-release-mlb-names-polymarket-exclusive-prediction-market-exchange-partner-and-signs-agreement-with-cftc-to-establish-integrity-framework. This MOU is the first-ever agreement between a federal financial regulator and a professional sports league. See also "MLB embraces prediction markets with Polymarket deal and a pact with federal regulators," Fortune (Mar. 19, 2026); "MLB Partners with Polymarket, Signs Unprecedented Agreement with CFTC," Covers.com (Mar. 19, 2026) (reporting potential $300 million value of MLB-Polymarket partnership over four years).

[14] See "The Right to Regulate: Kalshi, Federal Preemption, and the Fight for State Gaming Authority," Regulatory Oversight (July 3, 2025), https://www.regulatoryoversight.com/2025/07/the-right-to-regulate-kalshi-federal-preemption-and-the-fight-for-state-gaming-authority/ (documenting cease-and-desist orders in Nevada, New Jersey, Maryland, Massachusetts, Connecticut, and Arizona, and the amicus brief filed by 34 state attorneys general in the Third Circuit). See also Epstein Becker Green, "Prediction Markets v. State Gaming Laws: The Kalshi Litigation Gamble," https://www.commerciallitigationupdate.com/prediction-markets-v-state-gaming-laws-the-kalshi-litigation-gamble.

[15] See Press Release, Sen. John Curtis, "Curtis, Schiff Introduce Bipartisan Legislation to Ban Sports Prediction Market Contracts" (Mar. 23, 2026), https://www.curtis.senate.gov/press-releases/curtis-schiff-introduce-bipartisan-legislation-to-ban-sports-prediction-market-contracts/; see also "Bill introduced seeks to ban sports bets on prediction markets," ESPN (Mar. 23, 2026), https://www.espn.com/espn/betting/story/_/id/48289592/bill-introduced-seeking-ban-sports-bets-prediction-markets.