GAME POINT | CAPITAL

April 29, 2026

Michael S. Selig
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Selig,

I am writing this letter in support of prediction markets and, specifically, the continued availability of sports markets in the United States under the regulatory oversight of the CFTC.

My brother and I founded Game Point Capital in 2018. We are one of the largest sports risk hedging companies in the U.S. We offer a wide variety of risk-transfer products for professional sports teams, college athletic departments, and corporate sponsors to offset financial exposure tied to the outcome of team and player performance.

For a simple example: college football coaches often have bonuses in their contracts for achieving various performance milestones like conference championships, College Football Playoff appearances, national rankings, and coaching accolades. These bonuses can amount to millions of dollars of variable risk for college athletic departments. We currently work with 50+ universities across the country to hedge this exposure and avoid adverse budget impacts resulting from unpredictable sports events.

The use cases for sports hedging are virtually endless. Here are a few:

- Professional sports teams have huge financial implications tied to team performance
    - Example: An MLB team can make $100 million+ in ticket revenue for a deep playoff run or $0 if they miss the postseason completely

- Corporate sponsors and brands are on the hook for large contingent liabilities tied to bonuses in marketing deals with athlete ambassadors
    - Example: A golf equipment company owes a sponsored player $1 million for each major tournament win

- Hospitality businesses are exposed to significant revenue swings based on the performance of local teams
    - Example: A hotel operator in Green Bay can see a large uptick in demand if the Packers play a home playoff game

Until recently, we have used traditional insurance markets as the mechanism to hedge risk for our business. Prediction markets have created another valuable risk-transfer outlet, which will ultimately allow us to offer more bespoke products and lower prices for our customers.

Opponents of sports prediction markets claim that, unlike more traditional derivatives markets (weather, commodities, etc.), there are no legitimate business use cases for sports markets so all trading volume must be purely speculative. Given our use of sports prediction markets to hedge legitimate financial risk, this is objectively not true.

Sports market critics have called out platforms for offering player props and parlays – "Surely," they say, "gambling is the only application for these markets." In reality, both are useful hedging structures and are functionally no different than markets for individual games or futures.

- For props: bonuses for tournament wins and top 10 rankings are standard in endorsement deals for individual sports like golf and tennis; NBA franchises have to manage the financial and cap implications of star players earning max contracts tied to all-league selections (players are also exposed if they fail to meet the 65-game qualifying minimum); professional athlete incentives can hinge on single-game statistical metrics (e.g. a NFL wide receiver needs ten catches or a NHL forward needs two assists in the season finale to meet their bonus threshold); Formula 1 finances can vary broadly with fixed payout tiers determined by finishing position in the Drivers' and Constructors' Championships; and so on. All of these scenarios can be hedged effectively with individual prop markets.

- For parlays: player bonuses commonly include dual stat triggers (e.g. average 15+ points and 5+ rebounds per game), as well as combined criteria for team and individual performance (e.g. league champions and league MVP). Parlays also offer an important internal portfolio risk management function. Multiple long-shot events can create aggregation risk, so we look to hedge combinations (or parlays) of outcomes as part of our capital management strategy. For example, if we have exposure for multiple top ten college basketball teams heading into the NCAA tournament, we may look to hedge the event that two or more of them reach the Final Four. This is the same approach hedge funds use to manage portfolio level risk.

Last, a question to consider as state lawmakers and politicians express concerns over prediction markets and their perceived association with sports betting: why aren't state-subsidized universities required to hedge the hundreds of millions of dollars of risk tied to coach contracts they negotiate? They are gambling with taxpayer money every day.

As an owner of a business that has benefitted from the innovation and expansion of prediction markets, I appreciate your efforts in supporting a transparent regulatory environment for their continued operation.

Sincerely,

Will Hall
Co-Founder & CEO