CONFIDENTIAL TREATMENT REQUESTED
by Railbird Exchange, LLC and Bitnomial Clearinghouse, LLC

April 14, 2026

**SUBMITTED VIA EMAIL**

Division of Market Oversight and Division of Clearing and Risk
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Supplemental Request to Modify CFTC Letter No. 25-26 to Replace QC Clearing LLC with Bitnomial Clearinghouse, LLC Under Existing No-Action Relief**

Dear Sir or Madam,

Railbird Exchange, LLC ("**Railbird**") and Bitnomial Clearinghouse, LLC ("**Bitnomial**") respectfully submit to the Staff of the Commodity Futures Trading Commission's ("**CFTC's**" or "**Commission's**") Division of Market Oversight ("**DMO**") and Division of Clearing and Risk ("**DCR**", and together with DMO, the "**Divisions**"), this supplemental request to modify the existing no-action relief CFTC Letter No. 25-26, issued on August 7, 2025 ("**CFTC Letter 25-26**"), regarding the CFTC's swap data reporting and recordkeeping requirements of sections 38.8(b), 38.10, 38.951, 39.20(b)(2), along with Parts 43 and 45 of the Commission's regulations (collectively, the "**Relevant Regulations**"), and replace QC Clearing LLC ("**QC Clearing**") with Bitnomial as the derivatives clearing organization ("**DCO**") covered by the existing relief previously granted by CFTC Letter 25-26. In addition, we request that DMO and DCR amend the CFTC Staff Letter 25-26 to remove the condition listed as number six (6) in the CFTC Staff Letter 25-26: "No Railbird market participant clears a Railbird Contract through a third-party clearing member." For the avoidance of doubt, this request seeks no other substantive changes.

Railbird is registered as a designated contract market ("**DCM**") and Bitnomial is registered as a DCO. Railbird will operate as a DCM, allowing participants to enter into certain binary options contracts ("**Binary Options**") and variable payout contracts ("**Variable Payout Contracts**" and together with Binary Options, "**Railbird Contracts**") based on the outcomes of various events. This replacement request seeks no changes to the scope of contracts or the conditions of the existing relief other than conforming edits to reflect Bitnomial as the DCO and the transition from

QC Clearing, similar to the supplemental approach reflected in CFTC Letter No. 24-15.[1] In addition, the Railbird and Bitnomial request for relief herein is substantially similar to, and subject to the same conditions as, relief previously granted to similarly situated DCMs and DCOs.

CFTC Letter 25-26 provided a no-action position with respect to the Relevant Regulations for Railbird Contracts cleared by QC Clearing. Railbird and Bitnomial request that the Divisions modify the scope of CFTC Letter 25-26 to include Bitnomial as the DCO covered by the existing relief, to allow Railbird to clear the Railbird Contracts through Bitnomial following the transition from QC Clearing to Bitnomial, and to allow Railbird market participants to clear through third-party clearing members.

## I. Background and Justification for Relief

Railbird will list Binary Options based on the outcomes of various events and Variable Payout Contracts that settle based upon a numerical value of an underlying event such as the percentage increase in average monthly temperature within a given city, as described in the CFTC Letter 25-26. The Railbird Contracts for which relief was previously granted constitute "swaps" as defined in Section 1a(47) of the Commodity Exchange Act, as amended ("**CEA**") and, as such, the Relevant Regulations would apply to the trading in those contracts.

The CFTC Letter 25-26 provided the no-action position for Railbird and QC Clearing. Bitnomial will now be the DCO clearing the Railbird Contracts, and Railbird intends to clear contracts exclusively through Bitnomial after a transition period. This replacement does not alter the contracts, market structure, or transparency commitments that underpinned the existing relief, and therefore does not affect the rationale for the no-action position.

Consistent with CFTC Letter 24-15, which addressed a DCO changeover without altering the substance of the prior relief, Railbird and Bitnomial submit that the replacement of the clearinghouse does not affect the characteristics of the Railbird Contracts or the information available to the Commission and the public.

In addition, Railbird and Bitnomial make this request because the CFTC has amended the Railbird DCM registration order to allow futures commission merchants to intermediate transactions and carry accounts for customers executing trades on, or pursuant to the rules of, Railbird. In light of the change to the Railbird DCM registration order, Railbird and Bitnomial require a corresponding amendment to the CFTC Staff Letter 25-26 for purposes of swap reporting no-action relief.

[1] *See* CFTC Letter No. 24-15 (October 4, 2024).

**Railbird's Justification for Relief**

In support of their supplemental modification, Railbird and Bitnomial agree to comply with the conditions that the CFTC Staff previously set forth in CFTC Letter 25-26, with the exception of the prior condition listed as number six (6). These conditions are now:

1. Railbird and Bitnomial will require all Railbird Contracts to be fully collateralized positions, as defined by Commission Regulation 39.2.

2. Railbird will clear all Railbird Contracts through Bitnomial and Bitnomial will clear all Railbird Contracts.

3. Railbird will publish on its website the following information on all Railbird Contracts transactions promptly after the execution of such transactions: trade timestamp, contract, quantity, and price.

4. Railbird will fully comply with its end-of-day reporting requirements pursuant to Parts 16 and 39 of the Commission's regulations, including providing transactional information to the Commission pursuant to Commission Regulation 16.02.

5. Railbird and Bitnomial will comply with all swap reporting and recordkeeping requirements of the CEA and Commission regulations applicable to each in their respective capacities as a DCM or a DCO, other than the Relevant Regulations, including, but not limited to, the applicable requirements of Parts 38 and 39 of the Commission's regulations (the "**Required Records**").

6. Railbird and Bitnomial will keep the Required Records open to inspection upon request by any representative of the Commission, the United States Department of Justice, or the Securities and Exchange Commission, or by any representative of a prudential regulator as authorized by the Commission. Copies of all such records shall be provided, at the expense of Railbird or Bitnomial, as applicable, to any representative of the Commission upon request. Railbird or Bitnomial, as applicable, shall provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the Commission, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only.

## II. Conclusion

For the reasons set forth above, Railbird and Bitnomial request that the Divisions modify the CFTC Letter 25-26 relief to replace QC Clearing LLC with Bitnomial as the DCO covered by the existing staff no-action position as of the date of the modified letter and to allow third-party

clearing members. Therefore, after the transition from QC Clearing, Railbird may clear Railbird Contracts through Bitnomial and Bitnomial will be subject to the same reporting and recordkeeping no-action position set forth in CFTC Letter 25-26, as modified herein. Railbird and Bitnomial do not seek any changes other than those requested herein to the scope of contracts, participants, or conditions. As previously stated, the relief Railbird and Bitnomial are requesting is similar to and consistent with prior no action relief. Railbird and Bitnomial request this relief so long as the Railbird Contracts that meet the definition of swaps are listed for trading on its platform.

Railbird and Bitnomial appreciate the Commission's time and attention to this matter. If you have any questions or require any further information and documentation, please contact Miles Saffran of Railbird via email at m.saffran@draftkings.com or James Walsh of Bitnomial via email at james.walsh@bitnomial.com.

Sincerely,

Miles Saffran
**Railbird Exchange, LLC**
Chief Executive Officer
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James Walsh
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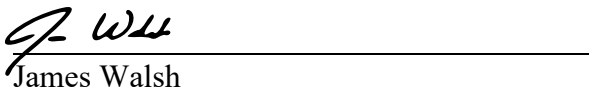
Chicago, IL 60654

**CERTIFICATION**

I hereby certify that the material facts set forth in the above letter dated April 14, 2026 are true and complete to the best of my knowledge. Furthermore, to the extent any material representation made in the request ceases to be true and complete, I will inform promptly the Commission Staff in writing of all materially changed facts and circumstances. If a material change in facts or circumstances occurs subsequent to issuance of a no-action relief letter, I will inform promptly the Commission Staff.

Miles Saffran
**Railbird Exchange, LLC**
Chief Executive Officer



James Walsh
**Bitnomial Clearinghouse, LLC**
Chief Compliance Officer