LUDLOW EXCHANGE, LLC.
New York, NY

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| | **LUDLOW EXCHANGE, LLC**<br>DESIGNATED CONTRACT MARKET | WNBAPLACH |

# WNBA PLAYOFF ACHIEVEMENT

Self-Certification of the WNBA Achievement Contract Pursuant to CFTC Regulation 40.2(a)

Includes:

1. Cover Letter (with Certifications) (Public)
2. Public Appendix A: Terms and Conditions of the Contract (Public)
3. Confidential Appendix B: Analysis of Compliance with Core Principles

**LUDLOW EXCHANGE, LLC.**
New York, NY

**SUBMITTED VIA CFTC PORTAL**

Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Self-Certification of the WNBA Playoff Achievement Contract Pursuant to Section 5c(c) of the Commodity Exchange Act and CFTC Regulation 40.2(a)**

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "Act"), 7 U.S.C. § 7a-2(c), and Commission Regulation 40.2(a), 17 C.F.R. § 40.2(a), Ludlow Exchange, LLC ("Ludlow" or the "Exchange"), a registered designated contract market doing business as Novig, hereby notifies the Commission of its election to self-certify the WNBA Playoff Achievement Contract (the "Contract") for listing on the Exchange.

A concise description and analysis of the contract follows:

**The Contract.** This contract is an event contract on the official outcome of a future WNBA competitive result, such as which team wins a championship or tournament, or whether a team qualifies for or advances within a playoff or postseason competition. When entering the contract, a participant selects a specific **<participant>** and effectively predicts whether that participant will achieve **<achievement>**. If the selected participant achieves it according to the recognized governing body, the contract pays its fixed settlement value of one dollar; if not, it settles at zero. Each listing corresponds to a single recurring competition identified by the Exchange, and new contracts are generally issued for the next season, year, or edition that will have an official result.

**Contract Mechanics.** The Contract operates with a $1.00 Settlement Value, a $0.001 Minimum Tick, and a $50,000-per-strike-per-Member Position Accountability Level. Contract iterations will be issued on a recurring basis, with each instance corresponding to the hedging and informational trading needs of the Exchange's Members.

**Core Principles Compliance.** The Contract is not readily susceptible to manipulation: the Underlying is determined by objective and publicly verifiable criteria, and the underlying events are characterized by broad observability. A detailed analysis of the contract's compliance with the Core Principles is provided in Confidential Appendix B.

**Certifications.** Pursuant to Section 5c of the Commodity Exchange Act and Commission Regulation 40.2(a), the Exchange hereby certifies that:

**(i)** the Contract complies with the Act and the Commission's regulations thereunder; and

**(ii)** concurrently with the filing of this submission, the Exchange has posted on its public website at *https://www.ludlowexchange.com/filings* a notice of pending product certification and a copy of this submission (excluding any materials for which confidential treatment has been requested).

**Confidential Treatment.** Confidential treatment is requested for Confidential Appendix B pursuant to 17 C.F.R. §§ 40.8 and 145.9 and FOIA Exemption 4, 5 U.S.C. § 552(b)(4), as set forth more fully in the accompanying FOIA Confidential Treatment Request.

**Enclosures.** Enclosed with this letter are: (i) Public Appendix A: Terms and Conditions of the Contract; (ii) Confidential Appendix B: Analysis of Compliance with Core Principles; and (iii) FOIA Confidential Treatment Request.

Sincerely,

Calvin Smith
Head of Markets
Ludlow Exchange, LLC

# PUBLIC APPENDIX A: TERMS AND CONDITIONS OF THE CONTRACT

## WNBA Playoff Achievement

| | |
|---|---|
| **PRODUCT NAME** | WNBA Playoff Achievement |
| **RULEBOOK CODE** | WNBA-006 |
| **CONTRACT TYPE** | Event Contract |
| **ISSUANCE** | Recurring (per scheduled event) |
| **UNDERLYING CATEGORY** | Sports: basketball |

## CONTRACT SPECIFICATIONS

For the Contract certified by this submission, the variables used in these terms and conditions take the following values:

| Variable | Value |
|---|---|
| <participant> | Las Vegas Aces |
| <achievement> | To Win WNBA Finals |

## GENERAL TERMS

**Scope:** These rules shall apply to this Contract.

**Type:** The type of Contract is an Event Contract.

**Issuance:** These Rules apply solely to the Contract identified in the Contract-Specific Terms. The Contract is based on the outcome of a recurrent event; Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to the next time frame (e.g., season, year, or edition) that will have an official result of **<achievement>**.

**Underlying:** The Underlying for this Contract is the official result of **<achievement>**. Revisions to the Underlying made after the Expiration Time will not be accounted for in determining the Expiration Value.

**Source Agency:** The Source Agency is the WNBA[1], the Governing Body of **<achievement>**. The Source Agency's determination is established through the following hierarchy, applied in order: (i) the official results publication of the WNBA; (ii) any other official channel maintained or expressly authorized by the WNBA, including any body that officially confers or records **<achievement>** (such as an awarding body

[1] This entity is not affiliated or associated with Ludlow Exchange, LLC. Neither this entity nor any of its affiliates sponsors, endorses, sells, promotes, approves, or is otherwise involved with this Contract or any other product offered by Ludlow Exchange. Any reference to this entity is solely for purposes of identifying the underlying event and the applicable settlement source.

or official statistician); (iii) the official records of any renamed, reorganized, or successor Governing Body of **<achievement>**; and (iv) a result reported concordantly by at least two independent sources with a credible reputation regarding events relative to the WNBA.

**Void:** The conditions under which a Contract on **<achievement>** may settle to Void are specified throughout this Contract. All Voids are subject to the Fair Value Settlement Rule.

**Payout Criterion:** The Contract will settle as an Outright Contract. If the first official final result of **<achievement>** is, or is achieved by, **<participant>**, the Member holding the YES side of the Contract will receive the Settlement Value; if it is not, the Member holding the NO side of the Contract will receive the Settlement Value.

If the Expiration Value cannot be determined, or as otherwise specified in this Contract, the Contract settles to Void.

## VARIABLES

**<participant>:** Refers to a group, an entity, a team, individuals, or an individual participating in the competition or process that determines **<achievement>**, as identified by the Exchange in its reasonable discretion, including but not limited to official names, abbreviations, or other identifying characteristics. If **<participant>** undergoes a name change, relocation, rebranding, or similar change, the Exchange will determine in its sole discretion whether sufficient organizational continuity exists to treat the new entity as the same **<participant>**. If the Exchange makes such a determination, the Contract will continue to reference **<participant>** under its updated designation, and open Contracts will remain valid and unaffected.

**<achievement>:** Refers to a given sports outcome or distinction determinable from the official result of a competition or process, and will include a specified year, season, or edition and any other distinguishing information. The categories listed below are not exhaustive; they are given only for clarity, and the absence of a market type from this list does not exclude it, provided its result is determinable from the official records of the Source Agency. By way of example and without limitation, **<achievement>** includes:

- championship/tournament/competition winner (e.g., the 2026 WNBA Finals Winner)
- qualification/advancement (e.g., qualification for the 2026 WNBA Playoffs)

Each **<achievement>** is resolved as an outright Contract. Where the result of **<achievement>** cannot be determined from an official source, the Contract is resolved under the Cancellation Rule or the applicable void provisions of this Contract.

## ACHIEVEMENT-SPECIFIC TERMS AND RULES

**Final-Event Timing Rule:** The “final event” means the event or events necessary to determine the official result of **<achievement>**.

- ***Postponed.*** If the final event is postponed past its scheduled date (e.g., because of severe weather or other emergency), the Contract remains open for trading and settles after the sooner of (1) the result of **<achievement>** being reported or (2) two weeks following the originally scheduled date of the final event. If the final-event date is unknown, the Contract remains open for trading and settles after the sooner of (1) the result being reported or (2) two years following the estimated date of the final event, until a final date is known.
- ***Suspended.*** If the final event is suspended during play, the Contract remains open for trading and settles after the sooner of (1) the result of **<achievement>** being reported or (2) two months following the originally scheduled date of the final event.
- ***Advanced.*** If the final event is moved to be earlier than its originally scheduled date, the Contract remains open for trading and settles after the result is reported.

**Early Conclusion Rule:** If the official result of **<achievement>** is reported even though the event or events necessary to determine it were truncated or ended early, the Contract settles based on that reported result.

**Cancellation Rule:** If the final event is cancelled outright before it concludes, or **<achievement>** is cancelled, will not have an official result, or will have an official result of nothing or no one, then the Contracts for eligible participants are resolved under the Fair Value Settlement Rule. If a Fair Value Price is not available, or if the Exchange determines in its sole discretion that the most recent Fair Value Price does not represent a fair settlement, the Outcome Review Committee will make a binding determination of fair allocation, using market data, historical trades, and external sources. For purposes of this Contract, an "eligible participant" is a participant that has not been disqualified or eliminated. Determinations of the Outcome Review Committee are final and not subject to review.

**Dead-Heat Rule:** The Exchange does not apply dead-heat treatment unless the Market Title or Market Description expressly provides for it. If multiple participants are reported as the result of **<achievement>** (for example, co-champions), each such participant is treated as satisfying the Payout Criterion and resolves “Yes” in full at the full Settlement Value, without dead-heat reduction, and the corresponding “No” positions resolve at $0.00. Where the Market Title or Market Description expressly provides for dead-heat treatment, each such participant instead resolves “Yes” at a Payout of $1.00 ÷ (number of participants declared as the result of **<achievement>**), rounded down to the nearest Minimum Tick, and “No” at $1.00 minus the corresponding “Yes” Payout.

**Withdrawal Rule:** If **<participant>** forfeits, withdraws from consideration, or takes any other official action directly to be removed from being able to achieve **<achievement>**, such as withdrawing from the events that will determine its result, the Contract settles “No” for **<participant>**.

**Disqualification Rule:** If **<participant>** is disqualified from consideration for **<achievement>** before the Contract expires, even if the final event necessary to determine the result has concluded, the Contract for **<participant>** settles “No.” If this causes another participant to be reported as the official result of **<achievement>**, the Contract resolves on the basis of which participant is reported as the official result.

**Elimination Rule:** If **<participant>** is eliminated from contention for being the result of **<achievement>**, including by being eliminated from the event or events necessary to determine the official result, the Contract settles "No." A participant is eliminated from contention when it is reported so by the Source Agency.

**Re-Entry Rule:** If **<participant>** was eliminated from contention and the Contract for **<participant>** settled "No," but **<participant>** is later re-entered into contention (for example, because a participant originally in contention was disqualified), then a new Contract with the same **<participant>** may be created. The original Contract will remain resolved "No."

**Settlement Finality Rule:** The official result for settlement purposes is the result as reported by the Source Agency at Expiration. Any revision after Expiration will not be considered; if **<participant>** or any other participant is disqualified, removed, or the official result of **<achievement>** is reversed or changed in any way after the Contract expires, that will not affect the Contract's resolution.

## SUSPENSION AND VOIDS

**Extraordinary Circumstances Rule:** In the event of an extraordinary circumstance that renders a team or player unable to compete in the event or events necessary to determine the result of **<achievement>**, or that otherwise materially affects the Underlying, including but not limited to the death, serious injury, or incapacitation of one or more players, coaches, or staff members, the Exchange reserves the right, in its sole discretion based upon the information reasonably available at the time, to either (a) settle to Void all affected Contracts, or (b) settle all affected Contracts at the fair value price prior to the circumstance becoming publicly known, pursuant to the Fair Value Settlement Rule. Where the precise time of the circumstance cannot reasonably be determined, the Exchange may rely on an approximate time. All determinations under this Rule are final.

**General Market Suspension Rule:** The Exchange reserves the right to suspend trading on any Contract at any time pending clarification of an unusual or uncertain event that may affect the outcome or validity of **<achievement>**. A market suspension does not constitute a void or settlement of any Contract. The Exchange will resolve the suspension, by resuming trading or issuing a settlement determination, within 24 hours of the suspension. If the Exchange cannot resolve the uncertainty within that period, it will either extend the suspension for a stated further period, not to exceed the Expiration Date, or resolve affected Contracts under the applicable settlement provisions of this Contract, including the Fair Value Settlement Rule where those provisions would otherwise settle a Contract to Void. Any extension and its basis will be recorded contemporaneously. All determinations under this Rule are final.

**Contingencies**: Before Settlement, the Exchange may, at its sole discretion, initiate the Market Outcome Review Process pursuant to the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, the Exchange has the right to determine payouts pursuant to the Rulebook or settle the Contract to Void.

## FAIR VALUE SETTLEMENT RULE

**Fair Value Settlement Rule:** Where a Contract settles to Void, or where any other provision of this Contract provides for settlement at fair value, the Exchange will resolve all affected Contracts pursuant to this Rule.

(a) **Reference Time.** The "Reference Time" is the earliest of: (i) the suspension, interruption, or termination of the event or events necessary to determine the result of <achievement>; (ii) any halt of trading in the Contract imposed by the Exchange in connection with the circumstance giving rise to settlement under this Rule; and (iii) the first public report of that circumstance. Where a Contract settles to Void by operation of a condition specified in this Contract rather than an event affecting <achievement>, including the cancellation of <achievement> under the Cancellation Rule, the Reference Time is the time at which satisfaction of that condition became certain, whether by official announcement, the recording of the relevant result or determination by the Source Agency, or the Exchange's determination, or any earlier halt of trading in the Contract imposed by the Exchange in connection with that condition. Where the Exchange reasonably determines that the circumstance was reflected in trading in the Contract before the earliest of these times, the Exchange may set an earlier Reference Time. Where the precise time of any event described in this paragraph cannot reasonably be determined, the Exchange may rely on an approximate time.

(b) **Calculation Window.** The "Calculation Window" is the 30-minute period ending at the Reference Time or, where the Contract has been listed for trading for less than 30 minutes as of the Reference Time, the period from listing to the Reference Time.

(c) **Fair Value Price.** The "Fair Value Price" is the time-weighted average, over the Calculation Window, of a composite price for the outcome referenced by the Contract, calculated from: (i) prices for the same outcome published by independent, widely disseminated commercial markets, converted to implied prices by removing the embedded margin from each source pursuant to a consistent, documented normalization methodology; and (ii) the midpoint of the best bid and best offer for the Contract on the Exchange. The composite will reflect no fewer than two independent sources under clause (i) where available, combined with the Exchange's own market data pursuant to a weighting methodology established by the Exchange and applied consistently across **Contracts.** The Fair Value Price will not be less than $0.00 or greater than the Settlement Value, and will be rounded to the nearest Minimum Tick, with a value falling exactly between two ticks rounded to the tick closer to the composite price at the Reference Time.

(d) **Data Integrity.** In determining the Fair Value Price, the Exchange may exclude from the composite (i) any Transaction or quotation on the Exchange that the Exchange reasonably determines resulted from anomalous, erroneous, non-bona-fide, or manipulative activity; (ii) any interval during which the market in the Contract on the Exchange was one-sided, or during which the width of the bid-offer spread or the displayed size rendered quotations unreliable; and (iii) any external source whose published prices are stale, materially divergent from the other sources without apparent basis, suspended, or otherwise unreliable during the Calculation Window.

(e) **Fallbacks.** If one component of the composite is unavailable or unreliable during the Calculation Window, the Fair Value Price will be determined from the remaining component or components. If neither sufficient external source prices nor sufficient reliable two-sided activity on the Exchange is available during the Calculation Window, the Exchange will apply the following, in order, using the first source that yields a reliable Fair Value Price: (i) the most recent period of no less than 30 minutes within the 24 hours preceding the Reference Time in which the composite can be reliably calculated; (ii) contemporaneous prices of related Contracts listed on the Exchange that reference <achievement> or <participant>; and (iii) if no reliable Fair Value Price can be determined from the foregoing, the Outcome Review Committee will make a binding determination of fair allocation under the Cancellation Rule, or, where the Cancellation Rule does not apply, the affected Contracts will be resolved without a Fair Value Price, and Members will receive the return of funds that are at risk in the market.

(f) **Settlement.** Where a price is determined, each affected Contract will settle with the Member holding the YES side receiving the Fair Value Price per Contract and the Member holding the NO side receiving the Settlement Value minus the Fair Value Price per Contract, in lieu of any other payout under this Contract.

(g) **Determination, Notice, and Finality.** The Exchange will determine the Fair Value Price no later than the day after the Expiration Date, unless the Market Outcome Review Process has been initiated, in which case the timeline of that process governs. The Exchange will publish the Fair Value Price and a summary of the basis for its determination on its website, and will maintain a contemporaneous record of the data considered, any exclusions or fallbacks applied, and the resulting calculation. Any determination made by the Exchange under this Rule is final.

## CONTRACT MECHANICS

**Minimum Tick:** The Minimum Tick size for the Contract shall be $0.001.

**Position Accountability Level**: The Position Accountability Level for the Contract shall be $50,000 per strike, per Member.

**Last Trading Date:** The Last Trading Date of the Contract will be the same as the Expiration Date. The Last Trading Time will be the same as the Expiration Time.

**Expiration Time:** The Expiration Time of the Contract shall be upon the official result of **<achievement>** being reported by the Source Agency, subject to the Expiration Date.

**Expiration Date:** The Expiration Date of the Contract shall be the outer resolution date designated by the Exchange at the time of listing, which shall be no earlier than thirty days following the originally scheduled date of the final event, or the latest date on which the Contract could resolve under the Final-Event Timing Rule, whichever is later. The Expiration Date operates as a hard backstop; no settlement or expiration event occurring after this date will affect the Contract.

**Settlement Date:** The Settlement Date of the Contract shall be no later than the day after the Expiration Time occurs, unless settlement is determined under the Fair Value Settlement Rule or the Market Outcome Review Process has been initiated, as provided in those provisions. Settlement occurs on the Settlement Date in accordance with the Rulebook.

**Settlement Value**: The Settlement Value for this Contract is $1.00, unless the Contract settles to Void, in which case the Contract settles pursuant to the Fair Value Settlement Rule.

**Expiration Value:** The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration Time.