



LEG Contract Terms and Conditions

Sample Question: Will [subject] be legalized in [state/region] by the end of [date]?

Product Code: LEG[two letter state code]

Instructions: The State Legalization Record is published by the [state] Legislative Tracking System, typically on the same day or the following business day after gubernatorial action or other enactment steps. Publication practices vary by state, with some websites updating continuously and others refreshing once daily, often overnight. Session law compilations and bill status pages are the authoritative sources of enactment data. This contract is subject to early resolution.

Underlying: The underlying is the Passage of state legislation or adoption of binding state regulations that establish legal authority for a subject.. The Underlying can be accessed through each state's official legislative record website or session law publication. The contract resolves to "Yes" when the relevant state's official source records that a bill has become law and explicitly establishes legalization of a subject within that state. Legalization requires statutory text that removes prior prohibitions, creates affirmative state authorization, or directs state agencies to regulate the subject in a manner that enables lawful statewide operation. Executive orders, agency regulations, judicial rulings, municipal ordinances, or partial decriminalization measures do not qualify as legalization for purposes of this contract. Measures that only fund studies, create temporary exceptions, or delegate action without establishing statewide legal authority also do not qualify. If no qualifying legalization is enacted into law before the Resolution Time, the contract resolves "No."

Source Agency: [state] Legislative Tracking System

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01.

Listing Cycle: ForecastEx will list Contract expirations at its discretion.

Thresholds: For each Contract expiration, thresholds will be listed at ForecastEx's discretion.

Position Accountability: The position accountability level is 250,000 Contracts in any one Forecast Market.

Last Trading Time: Same as Resolution Time.

Payout Criteria: The Settlement Value of each Contract is \$1.00 or \$0.00 depending on the Outcome of the Contract. If the Outcome of the Contract is "Yes", then holders of the "Yes" Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the "No" Position will receive \$0.00. If the Outcome of the Contract is "No", then holders of the "No" Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the "Yes" Position will receive \$0.00.

Resolution Time: [the time at which the state’s specified tracking system is updated]

Changes in Resolution Time: The Resolution Time of a Forecast Contract is dependent on the time that the Source Agency releases the Underlying data. There are circumstances in which ForecastEx will change the Resolution Time of a Contract as described below:

1. **Delay by Source Agency:** If the Source Agency delays the release of the underlying data required for Resolution, ForecastEx will delay the Resolution Time of the Contract until such data is released. In these circumstances, ForecastEx will release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the Contract is resolved.
2. **Change in Release Schedule:** ForecastEx sets the Resolution Time of each Contract based on either the published or anticipated release schedule of the Source Agency for the underlying data. If the Source Agency amends its release schedule or announces that it will publish the underlying data at a different time than anticipated, ForecastEx may, at its sole discretion, amend the Resolution Time of the Contract to match the updated release schedule when doing so is necessary to ensure the accurate and fair resolution of the contract. In these circumstances, ForecastEx will publish a public notice to its website informing Market Participants of the revised Resolution Time.
3. **Event Review Process:** In accordance with ForecastEx Rule 415, ForecastEx may, at its sole discretion, initiate the event review process prior to Settlement which may delay the Resolution of a Contract. In these cases, ForecastEx will publish a public notice to its website informing Market Participants that the Contract’s Outcome is under review.
4. **Early Resolution:** If a Forecast Contract Resolves based on whether a specific event occurs before a defined point in time, it will be subject to early resolution. For these Contracts, if the Outcome of the contract becomes determinable prior to the scheduled Resolution Time – either because the event has occurred (resolving “Yes”) or because it can no longer occur (resolving “No”) – ForecastEx may, at its sole discretion, accelerate the Resolution Time of the Contract in accordance with ForecastEx Rule 413. Whether or not this Contract is subject to early resolution is specified in the Instructions section.

Expiration Time: Same as Resolution time.

Settlement Date: Unless the Outcome of the Contract is under review in accordance with ForecastEx Rule 415, Settlement of the Contract will occur no later than the day following Expiration Time.

Trading Restrictions: In Accordance with ForecastEx Rule 509(h), the following Persons are prohibited from entering Bids or executing Pairs in State Legalization Forecast Contracts:

- Members of the state legislature, including Senators, Representatives, or Assembly Members, who sponsor, co-sponsor, or vote on state legalization legislation.

- Legislative staff and employees, including committee staff of committees with jurisdiction over the legislation, as well as administrative, legal, and research staff with access to non-public information.
- Executive Branch officials and employees of the state government involved in reviewing, drafting, or advising on legalization legislation, including but not limited to the Governor's Office, the Attorney General's Office, the Department of Health, and other relevant regulatory agencies.
- Registered state-level lobbyists, consultants, or advocacy organizations directly engaged in influencing legalization legislation, as well as their employees.
- Legal representatives, advisors, or contractors of parties engaged in drafting or negotiating state legalization legislation have access to non-public information.
- Members of the media with embargoed or otherwise non-public access to information about the introduction, movement, or passage of state legalization legislation.
- Any other person with material non-public information about a state legalization bill that is the subject of a State Legalization Forecast Contract.
- Immediate family members of the above.