In my career, I've been able to see the different sides of a couple of industries–formerly, as a fintech partner at Andreessen Horowitz "a16z"a banker at Merrill Lynch; and currently, as a founder and general partner at Cambrian Ventures through which I also run a financial technology community with over 1,500 participants from all the most innovative and frontier-expanding companies in financial technologies ("fintech"). I strongly support Kalshi's contracts for two reasons, and both address the Commission's questions.

First, I support the contract because it is clearly in the public interest. There's demand left and right for accurate information on elections. Polls appear to be getting worse in the Trump and post-Trump era. In addition, having a financial incentive to be right would spur the creation of new models by trading firms and others to predict election outcomes. In reality, these markets are traded all the time–but just through traditional equities and other instruments, so the public can't benefit from the actual implied forecasts. Making it explicit would be invaluable, and become a source of information equally, if not more, relied on than polling or other sources for information.

Second, because of its risk mitigation and hedging functions. Many American workers are in politically sensitive industries, such as energy, health care, and those involved in large amounts of international trade. This encomapsses tens of millions of workers, who have families and communities dependent on a consistent stream of income. However, volatility from elections and routine shifts in the political environment can portend dramatic shifts in industry via new regulations and laws. These can impact people even before they're enacted (addressing the Commission's concern regarding 'predictability'), based on expectations of future policy change. Business partners may be unwilling to do business; lenders may increase the cost of credit; and publicly traded assets will fall. Markets are forward looking, and are pricing in the risks of the incoming government well before the election even takes place. At every stage, elections and the expectations that they create have an impact on people.

Unrelated: it seems like the Commission has concerns about the integrity of elections being affected by allowing these markets. This does not stand any ground: 1. PredictIt has run these for a decade now without any issues 2. People and institutions already have massive financial exposure to elections either directly or indirectly. The idea that a 25k limit market would have any material impact does not have merit. If anything, the trading would now be happening on a regulated exchange where there is oversight and transparency on the trading that is happening.

It's important for people to be able to insure themselves against those expectations, since they will have to face the consequences. American families shouldn't have to suffer because of the frequent vicissitudes of politics, but they do. This provides businesses and households with a much-needed tool to hedge their risks.

I ruge the Commission to provide regulatory clarity for these financial assets and bring them into the regulatory regime, instead of letting them fester in unregulated venues until it's late and people get hurt (see what happened with crypto).