DraftKings Predictions CFTC 1.55(k) Disclosure Document

1. **The futures commission merchant's name, address of its principal place of business, phone number, fax number, and email address [1.55(k)(1)]**

   GUS III (d.b.a DraftKings Predictions) - Principal Place of Business
   222 Berkley St, 5th Floor, Boston, MA, 02116.
   Telephone Number: *(617) 986-6744*
   support@draftkings.com

2. **The name, title, business address, business background, areas of responsibility, and the nature of the duties of each person that is defined as a principal of the futures commission merchant [1.55(k)(2)]**

   Jason Robins
   Chief Executive Officer and Chairman of DraftKings Inc. (Nasdaq: DKNG)
   222 Berkley St, Suite 500, Boston, MA, 02116

   Jason Robins is chief executive officer of DraftKings. Robins co-founded DraftKings in 2012 and oversees the company's strategy and operations, while also driving funding and partnerships.

   Robins has built a reputation for expanding DraftKings' reach across numerous platforms through wide-ranging, forward-thinking partnerships. Under his leadership, DraftKings became the first DFS company to sign a league partnership with Major League Baseball in 2013. Jason has led efforts at DraftKings to work with policy makers and regulators to pass smart legislation. Also under Jason's leadership, DraftKings became the first company to launch an online and mobile sportsbook in New Jersey in 2018.

   Robins' work has been recognized by the media and his peers, both nationally and locally in Boston. Recognition includes: Fortune's "40 Under 40" list of the most influential people in business, appearing on that issue's cover, Sports Business Journal's "40 Under 40," Boston Business Journal's "Power 50: Game Changers," and "40 Under 40," among others.

   Robins attended Duke University, where he received his degree in economics and computer science.

Shane O'Mara
DraftKings Predictions Chief Executive Officer
222 Berkley St, Suite 500, Boston, MA, 02116

Shane O'Mara is the Chief Executive Officer for GUS III LLC. Mr. O'Mara is responsible for DraftKings Predictions' strategic and operational direction, and supervises the FCM's business unit.

Mr. O'Mara joined DraftKings from Cantor Fitzgerald where he served as the Head of US Futures Compliance & Swap Dealer Chief Compliance Officer. Prior to that role, he spent nearly 15 years at the National Futures Association serving in various leadership roles in investigations and forensic analysis.

He is an Executive MBA graduate from the University of Notre Dame's Mendoza College of Business with a strong background in finance and compliance. Mr. O'Mara has an active Series 3 license and has completed NFA's Swaps Proficiency Requirement.

Jack Forsayeth
DraftKings Predictions Chief Financial Officer
222 Berkley St, Suite 500, Boston, MA, 02116

Jack Forsayeth is the Chief Financial Officer of GUS III LLC, overseeing the company's financial strategy and operations. Mr. Forsayeth currently serves as Senior Director, Finance at DraftKings, where he has worked since 2021.

Prior to joining DraftKings, Mr. Forsayeth spent over a decade at Ernst & Young LLP from 2010 to 2021, working across Canada, Australia, Brazil, and the United States. During his time at EY, he advised public and private companies across a variety of industries, specializing in financial reporting, audit, technical accounting, and strategic finance.

Mr. Forsayeth obtained his Chartered Professional Accountant (CPA) designation in Canada in 2012 and earned a Bachelor of Commerce degree from Queen's University in Kingston, Ontario, Canada.

Andrew Jones
DraftKings Predictions Chief Compliance Officer
222 Berkley St, Suite 500, Boston, MA, 02116

Andrew Jones is the Chief Compliance Officer of GUS III LLC, overseeing the company's regulatory compliance operations. Mr. Jones also serves as the Director of Risk for the FCM.

He has worked for DraftKings since 2026. Prior to joining DraftKings, Mr. Jones spent over 15 years in various roles across the financial services industry, including roles with the National Futures Association, The Northern Trust Company, Bank of Montreal, and Ernst & Young LLP.

Mr. Jones obtained his Bachelors of Business Administration majoring in Finance from Loyola University Chicago. Mr. Jones has an active Series 3 license and has completed NFA's Swaps Proficiency Requirement.

Tim Feuerborn
DraftKings Predictions Trading Operations Director
222 Berkley St, Suite 500, Boston, MA, 02116

Tim Feuerborn serves as the Head of Trading Operations for GUS III LLC, bringing more than 20 years of experience in the trading and financial services industry. In this role, he oversees all aspects of trading operations, including managing the trading desk, ensuring market integrity and regulatory compliance, developing and implementing operational procedures, and coordinating with exchanges and vendors to optimize efficiency and performance.

Before joining DraftKings, Mr. Feuerborn spent eight years at tastytrade as a Senior Product Manager. Throughout his career, he has held several senior positions, including Senior Derivatives Trader and Senior Trading Specialist, gaining deep expertise across trading strategy, risk management, and product development.

Mr. Feuerborn obtained his Bachelor of Science in Finance from Gies College of Business at the University of Illinois Urbana-Champaign. Mr. Feuerborn currently holds the following licenses: Series 3, 4, 7, 9, 10, 24, and 63.

3. **<u>The significant types of business activities and product lines engaged in by the futures commission merchant, and the approximate percentage of the futures commission merchant's assets and capital that are used in each type of activity [1.55(k)(3)]</u>**

DraftKings Predictions ("the Firm") has been registered with the Commodity Futures Trading Commission ("CFTC") as a Futures Commission Merchant ("FCM") (NFA ID number 0571907) and a member of the National Futures Association ("NFA") since July 14, 2026. Prior to its registration as an FCM, the Firm was registered as an Introducing Broker on 12/04/2025. Additionally, the Firm was approved as a Swap Firm with the NFA on 12/04/2025.

DraftKings Predictions offers event contracts, including event contracts classified as futures and swaps, to individual retail customers based in the United States. DraftKings Predictions does not currently support institutional or commercial accounts, proprietary trading firms, or omnibus accounts of other FCMs.

DraftKings Predictions is a non-clearing FCM and clears all of its futures and cleared swaps transactions through an omnibus account arrangement with its clearing FCM, Wedbush Securities, Inc. DraftKings Predictions is not a member of any futures exchanges.

DraftKings Predictions does not provide discretionary trading for any customers. All customer trading activities will be self-directed and fully collateralized.

DraftKings Predictions will not engage in proprietary trading for its own account, nor will it service or support proprietary trading for its Affiliates.

The Firm does not intend to allow trading in over-the-counter products ("OTC"), or cash markets.

Activity and Product Lines	Percentage of Assets	Percentage of Capital
Futures and Cleared Swaps Contracts	100%	100%

4. **<u>The futures commission merchant's business on behalf of its customers, including types of customers, markets traded, international businesses, and clearinghouses and carrying brokers used, and the futures commission merchant's policies and procedures concerning the choice of bank depositories, custodians, and counterparties to permitted transactions under § 1.25 [1.55(k)(4)]</u>**

<u>Business on Behalf of its Customers</u>
The Firm performs execution, clearing, and settlement activities on behalf of its customers.

<u>Types of Customers and Markets Traded</u>
The Firm's customers are US based individuals eligible to trade the markets and products offered. The Firm offers its customers access to event contracts, which are classified as either futures or cleared swaps.

<u>International Businesses, Clearinghouses, and Carrying Brokers Used</u>
The Firm maintains an omnibus account with Wedbush Futures (NFA ID: 0086156). Customer orders are executed on CFTC regulated Designated Contracts Markets ("DCM"), and cleared through CFTC regulated Derivatives Clearing Organizations ("DCO"). The event contracts offered by the Firm are executed through either Chicago Mercantile Exchange, Inc. ("CME"), North American Derivatives Exchange, Inc. ("Crypto.com"), or Railbird Exchange ("DKeX"). Customer trades are cleared through either CME, Crpypto.com, or Bitnomial Clearinghouse, LLC. DKeX is an affiliate of DraftKings Predictions. The Firm does not do any international business with or on behalf of customers.

<u>Policies and Procedures Concerning Choice of Bank Depositories, Custodians, and Counterparties</u>
Regulations 1.20(b), 22.4(a), and 30.7(b) limits an FCM to depositing futures and cleared swaps customer funds, subject to the risk management policies and procedures of the FCM required by CFTC Regulation 1.11, with the following depositories: (1) a bank or trust company; (2) a derivatives clearing organization; or (3) another FCM (individually a "Segregated Depository" and collectively "Segregated Depositories"). Pursuant to CFTC Regulation 1.49, the location of a Segregated Depository holding futures customer funds must be in the United States, a money center country, or in the country of origin of the currency being held. Further, if the Segregated Depository holding futures customer funds is a bank or trust company located outside of the United States, it must have in excess of $1 billion of regulatory capital.

The Firm will perform appropriate due diligence, as required by CFTC Regulation 1.11, on any and all Segregated Depositories, to ensure that the depository meets the Firm's criteria. Such due diligence will also ascertain the depositories of futures customer funds comply with the requirements of CFTC Regulations 1.20, 1.26, and 1.49.

DraftKings Predictions shall deposit futures customer funds under an account name that clearly identifies them as customer funds and shows that such funds are segregated as required by CFTC Regulation 1.20(a), 22.6(a), and as to the extent applicable as provided in CFTC regulation 30.7(b).

DraftKings Predictions shall obtain a written acknowledgment from each Segregated Depository, as required by CFTC regulations and consistent with the requirements of CFTC Regulations 1.20(d), 22.5, as and to the extent applicable as provided in CFTC Regulation 30.7(d).

5. **The material risks, accompanied by an explanation of how such risks may be material to its customers, of entrusting funds to the futures commission merchant, including, without limitation, the nature of investments made by the futures commission merchant (including credit quality, weighted average maturity, and weighted average coupon); the futures commission merchant's creditworthiness, leverage, capital, liquidity, principal liabilities, balance sheet leverage and other lines of business; risks to the futures commission merchant created by its affiliates and their activities, including investment of customer funds in an affiliated entity; and any significant liabilities, contingent or otherwise, and material commitments [1.55(k)(5)]**

In order to ensure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing business obligations DraftKings Predictions holds all of its current assets in a permitted depository.

Investments of Customer Funds:

The firm does not currently engage in any permitted investment transactions under CFTC Regulation §1.25 with respect to the investment of customer funds.

Segregation Risk

DraftKings Predictions must ensure that all customer funds are held separately from its own funds. Additionally DraftKings Predictions is required to establish and maintain an amount of target residual interest in segregated funds and cleared swap accounts to ensure there is sufficient cash and capital to meet customer demand.

DraftKings Predictions maintains robust segregation controls designed to ensure that adequate segregated funds are available and/or secured.

Credit/Capital Risk:

While the ultimate parent company of The Firm is publicly traded, DraftKings Predictions itself is not a publicly traded company, and therefore does not have a credit rating.

Leverage:
Leverage Ratio: 1.15

Capital:
Monthly statements are made available on the DraftKings Predictions website here: FCM Regulatory

Liquidity:
$6,457,194

Principal Liabilities:
$0

Material Risk Posed to the FCM through an Affiliate

DraftKings Predictions does not invest customer funds in affiliated entities. DraftKings Predictions' parent company is DK Crown Holdings.

DraftKings Predictions considers affiliate risk to be exposure taken on due to dependencies on and connections to a parent entity or other subsidiaries of the parent entity. DraftKings Predictions may be exposed to affiliate risk if material weakness were to be identified at the DK Crown Holdings Inc. and DraftKings Inc. level (collectively "Parent Company"), DKeX, or other subsidiaries of the Parent Company that provide DraftKings Predictions with services or support. Affiliate risk includes, but is not limited to, financial, credit, technological, operational, or legal risks occurring at the affiliated entity level that have an impact on the operations or customers of DraftKings Predictions.

Significant Liabilities, Contingent or Otherwise, and Material Commitments
DraftKings Predictions does not currently have any significant liabilities or material commitments.

6. **The name of the futures commission merchant's designated self-regulatory organization and its Web site address and the location where the annual audited financial statements of the futures commission merchant is made available [1.55(k)(6)]**

DraftKings Predictions' designated self-regulatory organization is the National Futures Association. NFA's website address is www.nfa.futures.org.

The annual audited financial statements of DraftKings Predictions are available [FCM Regulatory]

7. **<u>Any material administrative, civil, enforcement, or criminal complaints or actions filed against the FCM where such complaints or actions have not concluded, and any enforcement complaints or actions filed against the FCM during the last three years [1.55(k)(7)]</u>**

DraftKings Predictions has no material administrative, civil, criminal nor enforcement complaints or actions to report at this time.

8. **<u>A basic overview of customer fund segregation, futures commission merchant collateral management and investments, futures commission merchants, and joint futures commission merchant/broker dealers [1.55(k)(8)]</u>**

DraftKings Predictions maintains two types of accounts for customer funds:

- A Customer Segregated Account for customers that trade futures and options on futures listed on US futures exchanges
- A Cleared Swaps Customer Account for customers trading swaps that are cleared on a DCO registered with the CFTC

Customer Segregated Account. Funds that Segregated Customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, i.e., designated contract markets, are held in a Customer Segregated Account in accordance with section 4d(a)(2) of the Act and Commission Rule 1.20. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including, but not limited to another customer.

Cleared Swaps Customer Account (or LSOC Account - legally separated, operationally commingled account ("LSOC Account"). Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, Cleared Swaps Customer Collateral, are held in a Cleared Swaps Customer Account in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled accounts must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

Investment of Customer Funds

CFTC Regulation §1.25 authorizes FCMs to invest Customer Segregated Funds and Cleared Swaps Funds in certain permitted instruments. The regulation further provides that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds.

If DraftKings Predictions invests customer funds, it will only invest customer funds in products approved under CFTC Regulation §1.25.

9. **Information on how a customer may obtain information regarding filing a complaint about the futures commission merchant with the Commission or with the firm's designated self-regulatory organization [1.55(k)(9)]**

A customer that wishes to file a futures-related complaint with the NFA about DraftKings Predictions or one of its employees may do so via one of the following methods:

- Electronically complete the online "File-A-Complaint" Form located at http://www.nfa.futures.org/basicnet/Complaint.aspx

- Fax or mail the printable Complaint Form located at https://www.nfa.futures.org/complaintnet/FileAComplaint.aspx

- Call the NFA directly at: (800) 621-3570

10. **The following financial data as of the most recent month-end when the Disclosure Document is prepared [1.55(k)(10)]:**

Total Equity	$36,916,127
Regulatory capital	$11,022,884
Net worth	$36,916,127
The dollar value of the futures commission merchant's proprietary margin requirements as a percentage of the aggregate margin requirement for futures customers, Cleared Swaps Customers	0%
The smallest number of futures customers,	

Cleared Swaps Customers, and 30.7 customers that comprise 50 percent of the futures commission merchant's total funds held for futures customers, Cleared Swaps Customers	
The aggregate notional value, by asset class, of all non-hedged, principal over-the-counter transactions into which the futures commission merchant has entered	$0
The amount, generic source and purpose of any committed unsecured lines of credit (or similar short-term funding) the futures commission merchant has obtained but not yet drawn upon	$0
The aggregated amount of financing the futures commission merchant provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices	$0
The percentage of futures customer, Cleared Swaps Customer, and 30.7 customer receivable balances that the futures commission merchant had to write-off as uncollectable during the past 12-month period, as compared to the current balance of funds held for futures customers, Cleared Swaps Customers	$0

11. **A summary of the future commission merchant's current risk practices, controls and procedures [1.55(k)(11)]:**

DraftKings Predictions has implemented a comprehensive Risk Management Program ("RMP") for monitoring and management of material risks to the firm. Material risks to DraftKings Predictions' business include, but are not limited to, credit/capital, foreign currency, legal and compliance, and operational (list non-exhaustive). The RMP defines key risks of DraftKings Predictions and assigns risk tolerance limits.

The RMP includes policies and procedures for detecting breaches of risk tolerance limits, and alerting supervisors and senior management as appropriate. Exceptions to risk tolerance limits are subject to written policies and procedures. Senior management reviews and approves risk tolerance limits on a periodic basis.