Capitol Account

'This Is the Right Way to Trade Sports': Talking Prediction Markets With the CEO of ProphetX

Also, next week's events

Jul 17, 2026

Friday Q and A: To date, the event contracts business has been dominated by Kalshi and Polymarket. But CFTC Chairman **Mike Selig**'s embrace of the industry is paving the way for a flurry of competitors seeking the agency's approval to jump into the multibillion-dollar nationwide market. This week, we sat down with the chief executive of one of the newest entrants, ProphetX – the first federally regulated prediction market devoted solely to sports.

It's been a hectic few weeks for **Dean Sisun** and his firm, which secured the commodities overseer's blessing just last month to operate an exchange and clearinghouse. While he is counting on the CFTC's sign-off to supercharge the company's growth, the CEO has also been thrust into the middle of a heated policy fight as casinos, Native American tribes and anti-gambling advocates look to prohibit the products he offers.

Read on to learn Sisun's strategy for navigating Washington, his thoughts on the best way to write rules for the upstart trading platforms and how he is trying to make sportsbooks "obsolete." What follows is our (lightly edited and condensed) conversation.

Dean Sisun

Capitol Account: How did you get into this business?

Dean Sisun: When I was in college, I was trading options and betting on sports. Those were two of my passions. And I said, 'Wait a second, these are kind of the same thing. What if someone created an options-for-sports-bets platform?' Merge the two concepts. That's how the idea was born.

CA: The story of how ProphetX evolved over the past eight years parallels some major legal and regulatory shifts. Tell us about it.

DS: As we started rolling along, we looked at gaming – I wasn't even thinking about the CFTC to be honest – and learned that in the U.S., it was illegal. At the time, PASPA [the federal law barring sports betting in most states] had not been struck down. So we went to the U.K. They had exchange-specific licenses, which is obviously what we needed.

CA: Fast forward to 2022, the company returned to the U.S.

DS: We launched in New Jersey and tried a state-by-state [licensing] model, but it just never really worked.

CA: Why not?

DS: Every state that we went into, they were like, 'We need to look at this for 18 months before we make a decision.' As a startup, how can you build a business like that?

CA: Was the federal approval process easier?

DS: The states didn't prioritize innovation like the CFTC does, to be honest…We feel like we finally found our home with the CFTC. They took seven months to go through 10 times as much information as the states would. We're happy with where we are now.

CA: Critics might say that was a very quick review.

DS: It was definitely challenging. I think we did a really good job of hiring the right people to come in and navigate the application process and help us put the right policies and procedures in place. We [also] had prior regulatory experience and a product – a current exchange and a current clearinghouse.

CA: Tell us about your team.

DS: **Bruce Fekrat** is our chief legal officer. He was at the CFTC for about 12 years. He was at Crypto.com beforehand, and at CME Group. And **Gabe Wong** is our chief risk officer. He was at ICE and Crypto.com, as well. We also have a couple of outside advisers, but probably the key one is **Terry Arbit**. He is a former general counsel of the CFTC and worked there for some 20-odd years.

CA: The agency approved ProphetX in June as a designated contract market and a derivatives clearing organization. Explain those terms.

DS: The DCM is an exchange; it gives us the ability to list contracts. And the DCO is the clearinghouse, so you can settle [trades] and move funds.

CA: What does it mean when you say ProphetX is the first 'native sports' exchange?

DS: Sports are very unique. They are unlike any other asset class. I like to say, 'We're built for sports, not elections.' There are no injuries in elections – or any other event contracts. There are no rain delays…It's a totally different beast.

CA: What's an example?

DS: If I place a trade on sports and it results in a tie, how does my trade settle? Does it settle at 50-50? Well, if I took it at 75 and it settles at 50, that's a loss for me. That sucks. That's a terrible experience. So we settle ties…This all gets very complex very quickly, as I'm sure you can tell by what I'm rambling on here. But it all comes back to the proper sports user experience. We have built our exchange for that specifically.

CA: How is business now that you are up and running across the country?

DS: We've been live for a little less than 30 days. I'll say I'm pleasantly surprised. We had our old user base, and we reactivated pretty much all of them. Since then, we've grown 45 percent on the user front and close to 40 percent on the funds on site. Those for us are the leading indicators that we're doing a pretty good job of growing immediately. Now we need to keep seeing that move up and to the right. Since we're sports-based, everything is around the NFL, so we're very focused on [that]. Then as the NBA comes along and college basketball and college football, you start to see all your numbers really climb.

CA: The explosion of sports betting on prediction markets has alarmed casinos, Native American tribes and a number of states – and they are lobbying heavily to get these contracts banned and to strip the CFTC of its oversight. How does your industry counter that?

DS: I feel like the messaging has not been – I don't want to say it's wrong, but it hasn't been very clear from the prediction markets in terms of sports. For me, our whole vision as a company has been to make sportsbooks obsolete.

CA: You recently wrote on social media that sportsbooks are 'criminals hiding in plain sight.' What do you mean?

DS: If you're a single dealer model and you are kicking off people who are good at sports betting, how is that fair at all? You're completely manipulating the flow that is coming into your system for profit maximization. That's a load of crap…And sportsbooks have been operating on a state-by-state basis, which is a massive moat for companies like me to get in. As I told you earlier, we weren't able to crack the model for 18 months at a time in certain states. I wrote that from a place of frustration, but I also believe it.

CA: How are prediction markets different?

DS: As an exchange, you can come in and completely undercut their margins. The user experience is much better...It's a much more democratized, cheaper model. This is the right way to trade sports, and we want to push that.

CA: Do you think that argument will resonate in Washington?

DS: Where sportsbooks are winning right now...is they have proper regulations in place and prediction markets don't. We're working with the CFTC on that. That is the big rub.

CA: What do you make of the contention, which seems to be gaining traction with lawmakers, that sports event contracts are essentially unregulated gambling?

DS: When I first started trading options, I was just gambling. Let's be real here – I'm not using it as a hedging mechanism to minimize risk in my portfolio as an 18-year-old. I'm gambling…But is Fidelity a casino? No, that's ridiculous. A prediction market is the same analogy. You can absolutely use the platform to speculate. Since the dawn of time, trading has been speculators versus hedgers.

CA: What do you tell members of Congress who are uneasy about sports event contracts on a societal level? Many have expressed concerns about kids on smartphone apps losing their savings on prediction markets.

DS: This might sound blunt, but people are going to do it anyway. That's why we put it onshore versus offshore. Why keep it unregulated? Why keep it to sportsbooks when you can move it to prediction markets and make it safer? People will lose less money. There will be way more winners on prediction markets.

CA: Is ProphetX planning to engage more on Capitol Hill and with regulators?

DS: I have never been involved in Washington in my life, but as this company has gotten bigger and as we've kept advancing forward, I've realized that the relationships are very important, especially with people at the commission. So I'd say it's a work in progress.

CA: Some of your competitors have established trade groups, such as the Coalition for Prediction Markets. Have you thought about joining?

DS: We need to take a deeper look at all of them and think about, one, is it worth it? Two, are they sending the right message? Three, are we aligned? Four, can we have a say? All that plays into it. But yes, we've been looking at them.

CA: The CFTC is hard at work crafting regulations for event contracts. What should it be focusing on?

DS: There are two really important things. One is consumer behavior. How do you protect the consumer from going off the rails? How do you prevent addictive behavior?…Number two is insider trading. It's a very fine line to walk, and [the key is] how do you, ahead of time, not put up markets that are easily susceptible to manipulation?

CA: What's your assessment of the agency's rule proposal that came out last month?

DS: Pretty good. There's still a little bit of work to do, but I think generally those two themes of mine are covered. And the most important theme is, we just need some certainty.

CA: Should some types of sports contracts be out of bounds? Where would you draw the line?

DS: I've thought about it a lot. It's so dependent, at least for me, on the sport.

CA: How so?

DS: Think about tennis. [It] has been a sport that is very susceptible to fixing, because…it's very easy for a tennis player to throw one point. That does not apply in the NFL. It does not apply in a sport with fewer data points, like soccer.

CA: So the CFTC should handle it on a case-by-case basis?

DS: It probably takes a very long conversation with the commission. And honestly, these [bets on] next pitches, next points – sportsbooks offer those. And I don't hear them talking about banning them anytime soon to protect from insider trading. I'd like to think that, hopefully, the prediction markets are ahead of the curve.

CA: What about consumer protections?

DS: There should be rules around deposit limits – how much a user can and can't deposit in a day, in a week, in a month. [I also like] timeout limits you can put on yourself, similar to putting a time [limit] on Instagram, or X, or whatever it may be. I'm only limited to a certain amount of time on the app per day. Cool-off periods. [And] self-exclusion, which is, kick me out forever.

CA: The CFTC is a small and perennially underfunded agency, and some say it doesn't have the budget or the staff to oversee this exploding market. Does that worry you?

DS: It doesn't. I dealt with the state regulatory agencies. They're much smaller, and they have a lot less experience.

CA: How do you think all the outstanding legal questions surrounding event contracts will get resolved?

DS: We've gamed it out for the Supreme Court to make the decision, but obviously we could be wrong. Timeline-wise, I have to imagine it's before the end of the Trump administration. But again, I could be wrong.

CA: Does the uncertainty factor into your strategy for ProphetX?

DS: That folds into some of the decisions we make as a business. Over the next 12 months, it's hyper-growth-focused. Get as many [business-to-business] partners as possible, get our name out there, prove to them that we are the sports provider that can win in the space. Obviously the regulations piece is key. It will be a stronger argument for us if we can say we're the right product, we have the right regulations in place…Ultimately, I think if we nail that, it would be hard to put us on the wrong side of history.

CA: What do you do when you're not working?

DS: I don't have that much time to have fun, but I did just take my first vacation in years last week, which felt great. I went on a golf trip. I bike a lot…Two other things I love to do are play chess and poker. I had a phase where I tried to become a professional poker player, but then I realized I can't possibly do that and run this company at the same time.

CA: Is the policy fight over prediction markets more like chess or poker?

DS: Poker, for sure. You're constantly reading the room.