

**FOR IMMEDIATE RELEASE**

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## **NYC Local Bar The Jeffrey Uses Kalshi to Hedge Knicks Promotion, Showing How Small Businesses Can Use Prediction Markets as Insurance**

*The Jeffrey Hedges \$5,000 on Kalshi for NBA Finals Game 1*

**NEW YORK, NY, June 1, 2026** — For Game 1 of the NBA Finals, The Jeffrey, a beloved Upper East Side bar, is giving its customers a deal that sounds almost too good to be true: **if the New York Knicks win, everyone's tab is on the house.** To protect itself from the potential financial hit, The Jeffrey will place a \$5,000 hedge on Kalshi, the world's largest prediction market, turning a risky promotion into a fully insured one.

"We want our customers to feel the magic of this moment," said Andy Freedman, owner of The Jeffrey. "But we're a small business; we can't just eat a full night's revenue on a whim. Kalshi lets us make the boldest possible promise to our customers and know we're covered no matter what."

The mechanics are straightforward: The Jeffrey purchases a contract on Kalshi that pays out if the Knicks win. If it happens and every tab gets wiped, the Kalshi payout offsets the loss. If the Knicks lose, the bar collects abnormally high revenue from the promotion, having paid only a small premium for the peace of mind.

### **Kalshi as Small Business Insurance**

Prediction markets like Kalshi — regulated by the Commodity Futures Trading Commission (CFTC) — allow anyone to take positions on real-world outcomes, from election results to sports scores to economic indicators. For small business owners, they represent something new: **a way to hedge specific operational risk tied to real-world events.**

It's not just bars running promotions. Kalshi provides risk management tools that can help a wide range of small businesses:

- Hotels that are full if teams keep winning to host more games, and empty if they lose, can hedge on Kalshi sports contracts
- Clothing stores, restaurants, and other businesses that are heavily dependent on foot traffic, which is correlated to rain and snowfall, can hedge on Kalshi weather contracts
- Small businesses who are dependent on imports can hedge against US tariff policy on Kalshi political contracts

In each case, the business takes on financial exposure to an uncertain outcome, and Kalshi provides a tool to offset it.

"Small businesses are exposed to real-world risk every single day — weather, politics, sports, economics — with no efficient way to manage it. Traditional insurance is expensive, slow and not

built for this kind of operational exposure," said Nicolas Hull, who works on business development at Kalshi. "Kalshi changes the equation: liquid, transparent markets that let any business take an offsetting position on the risks that affect their bottom line. This is the beginning of a fundamental shift in how small businesses approach risk."

### **About Kalshi**

Founded in 2018, Kalshi is the largest prediction market in the world, offering financial markets on the outcome of real world events such as award shows and more. Kalshi is the industry leader and pioneer, widely credited with legalizing prediction markets and building a safe, legal, regulated platform for millions of traders in America. To learn more, visit [www.kalshi.com](http://www.kalshi.com).

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