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**NORTH AMERICAN DERIVATIVES EXCHANGE, INC.**  
**NOTICE OF DISCIPLINARY ACTION**

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**FILE NO.:** TPI\_2019\_035(a)

**MEMBER:** Mariam Mughal

**NADEX RULES:**

**NADEX MEMBERSHIP AGREEMENT**

Member Acknowledgements and Authorizations, Section (h):

You acknowledge and agree that You will, following a request by Nadex, promptly provide to Nadex financial or other information as Nadex may reasonably request or as may be required for Nadex to respond to a request for information from the Commodity Futures Trading Commission (“CFTC”) or other regulatory or judicial bodies.

**RULE 3.1 TRADING MEMBERS - APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES**

- (f) A Trading Member that is an individual, may not maintain and/or trade more than one Nadex account. No Authorized Trader(s), nor any officer, director, member, manager, owner, or indirect owner, of a Trading Member that is an entity may maintain a separate Nadex account and/or trade any Nadex account other than that entity’s account.

**RULE 3.3 MEMBER OBLIGATIONS**

- (a) Each Member and any Authorized Trader(s) thereof, must comply with these Rules, applicable provisions of the Commodity Exchange Act, and relevant Commission regulations. Each Member and any Authorized Trader(s) thereof must also cooperate promptly and fully with Nadex, its agents, and/or the Commission in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include providing Nadex with access to information on the activities of such Member and/or Authorized Trader in any referenced market that provides the underlying prices for any Nadex market. . . .

**FINDINGS:** On August 25, 2019, the Nadex Compliance Department sent Mariam Mughal (“Mughal”) an Account Inquiry letter requesting, among other things, general background information, source of funds information and details regarding her order and trading activity. Despite follow-up communications providing Mughal with additional extensions to respond to the request for information, she failed to comply and/or respond to the inquiry letter. Based on Mughal’s failure to produce the requested documentation and information, she was notified that an Investigation had been opened on September 26, 2019. Additionally, during the

course of this investigation it became evident that Mughal funded another Nadex Member's trading account via bank transfers, thus resulting in her having a direct economic interest in the activity and trading in the other Member's account.

Based on Nadex's investigation, the Compliance Department determined that Mughal violated Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when she failed to cooperate with the Compliance Department's inquiry regarding these matters. Furthermore, Nadex Compliance concluded that Mughal violated Nadex Rule 3.1(f) when Mughal utilized another Nadex Member's account as a second account on Nadex traded for her benefit.

**PENALTY:** As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to fine Mariam Mughal \$3,500.00. Additionally, Mariam Mughal's Nadex Membership shall be revoked, her account terminated, and she shall be permanently banned from trading on Nadex markets, either directly for her own account, through an intermediary, or as an authorized trader on behalf of any other account.

**EFFECTIVE DATE:** January 6, 2022