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

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**FILE NO.:** INQ\_2019\_009

**MEMBER:** Omar K. Henry

**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 3.3 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. . . .
- (d) Each Member must immediately notify Nadex in writing upon becoming aware:
  - (i) that the Member, any of the Member's officers or any of the Member's Authorized Traders has had access or trading privileges suspended, or membership denied, in any commodity, securities, or swaps exchange, brokerage, association, or Regulatory Agency;
  - (iv) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been subject to, or associated with a firm that was subject to regulatory proceedings before any governmental or Regulatory Agency;

- (v) that the Member, any of the Member's officers or any of the Member's Authorized Traders is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.3(d)(i)-(iv).

#### **RULE 5.19 MEMBER OBLIGATIONS**

- (k) No Person shall intentionally provide misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

**FINDINGS:** The Nadex Compliance Department commenced an investigation into Member Omar Henry upon receiving notice regarding a regulatory action brought against him by FINRA. Specifically, the Compliance Department was notified that Henry was suspended from registration with FINRA for failure to provide information pertaining to the review of potential FINRA rule violations. FINRA issued two notices of suspension on September 27, 2018 and October 22, 2018, and when Henry failed to request termination of suspension, he was permanently barred from association with any FINRA member in any capacity on December 31, 2018. Further, Henry failed to disclose on his Nadex application for Membership that he was registered with FINRA at the time of his application, and he provided inaccurate or incomplete employment information. Henry also failed to comply with this investigation when he did not cooperate with the Compliance Department's request for information regarding the allegations set forth above.

Henry violated Nadex Rules 3.3(d) (i), (iv), and (v) when he failed to timely apprise Nadex of the aforementioned FINRA action suspending and ultimately permanently barring him from association with any FINRA member in the future. In addition, the Compliance Department concluded that Henry violated Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when he failed to cooperate with the Compliance Department's inquiry regarding the allegations set forth above. Lastly, the Compliance Department concluded that Henry violated Rule 5.19(k), when he failed to disclose on his Nadex Membership application his FINRA registration history and provided inaccurate employment information.

**PENALTY:** As a result of the aforementioned violations, Omar Henry's Nadex Membership has been revoked, his account terminated, and he has been permanently banned from trading on Nadex Markets, either directly for his own account or through an intermediary, or as an authorized trader on behalf of any other account.

**EFFECTIVE DATE:** February 13, 2020