
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2019_036(a)

MEMBER: Ashley Francis

NADEX RULES:

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (b) No Person shall enter into or attempt to enter into any non-competitive trade on the Market, including any accommodation trade or any trade that has been directly or indirectly prearranged. For example, a Member may not agree in advance with another Member that one of the Members will enter an order and the other Member will attempt to trade against that order by timing the submission of orders or otherwise.
- (k) No Person shall intentionally provide misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

FINDINGS: On June 13, 2019, in light of potentially coordinated trading activity, the Compliance Department sent Ashley Francis ("Francis") an Account Inquiry letter requesting, among other things, information regarding her relationship with another Nadex Member, source of funding, and understanding of Nadex rules. Francis responded to certain inquiries and requests for information. However, Francis provided misleading and inaccurate information to the Compliance Department relative to her connection with another Nadex Member and her coordination in trading with this participant. Specifically, upon review of the trading activity in Francis's account, and based on a preponderance of the evidence, she engaged in a series of at least seven prearranged trades with another Nadex Member from September 2017 through June 2019.

Based on Nadex's investigation, the Compliance Department concluded that Francis violated Exchange Rule 5.19(k) when she impeded the progress of an investigation by providing misleading information regarding her relationship to another Nadex Member. The Compliance Department has also concluded that Francis violated Exchange Rule 5.19(b) when she prearranged trades with another Nadex Member for the purpose of circumventing exposure of her orders to open and competitive bidding in the market.

PENALTY: By settlement agreement, in which Ashley Francis neither admitted nor denied the findings or conclusions of the investigation, Francis has been assessed a \$600.00 fine. Additionally, Ashley Francis's Nadex Membership has been revoked,

her account terminated, and she has been 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: October 31, 2020