

NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2018_005

MEMBER: Snir Yamin

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT – MEMBER REPRESENTATIONS

(d) You and, if relevant, Your employees and agents will not trade or otherwise act on behalf of any other person or entity (whether or not a Member) in placing orders on the Nadex System, including by allowing any person not disclosed on the Membership Application to have an economic interest in the trades placed by the Member.

NADEX MEMBERSHIP AGREEMENT – MEMBER ACKNOWLEDGMENTS & AUTHORIZATIONS

(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.

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

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

(g)(1) No individual Trading Member shall trade for a person or entity other than itself and no Authorized Trader of an entity Trading Member shall trade for a person or entity other than the entity Trading Member for whom that Person is an Authorized Trader.

(l) No Person shall create a false appearance of a partnership, agency, employment or affiliate relationship with Nadex and no Person shall unlawfully solicit customer funds for deposit at Nadex.

FINDINGS: In April 2018, the Compliance Department discovered that Snir Yamin (“Yamin”) was maintaining two Nadex accounts in violation of Nadex Rule 3.1(f), in addition to having an affiliation with a company “Nadex Made Easy”, which was subsequently re-named to “Trading Made Easy”. After reviewing materials where Yamin appeared to be holding himself out as affiliated with Nadex, as well as engaging in copyright and trademark infringement of Nadex’s logo and other trademarks, Yamin was issued a Cease and Desist Letter on April 19, 2018. Throughout the investigation, it was discovered by the Compliance Department that Yamin was trading his personal accounts at Nadex on behalf of third parties, pooling funds for the purpose of trading. Individual Members of Nadex are not permitted to pool funds in an individual account and all pooled investments should be properly registered through the National Futures Association (NFA). This activity is in violation of Nadex Rule 5.19(g)(1) and the Nadex Membership Agreement, Member Representations Section (d) as Yamin was engaging in trading on behalf of third parties in his individual trading accounts with Nadex, as well as allowing others to have an economic interest in the trades placed by Yamin. Further, Yamin appeared to be holding himself out as affiliated with Nadex, in the name of his company, the name of his exempt pool, and other various marketing materials and solicitation methods. By creating a false appearance of affiliation and/or partnership with Nadex, Yamin engaged in activity which constituted a violation of Nadex Rule 5.19(l). Yamin also violated Nadex Rule 3.3(a) and the Member Acknowledgments and Authorizations Section (h) of the Membership agreement when he failed to cooperate with the Compliance Department’s inquiry regarding his account activity and pooling of funds.

PENALTY: By settlement agreement, in which Snir Yamin neither admitted nor denied the findings or conclusions of the investigation, Yamin was assessed a fine in the amount of \$3,000.00. Further, Yamin agreed to cease and desist from inappropriately using Nadex’s logo and/or other trademarks and agreed to eliminate any false appearance of affiliation and/or partnership with Nadex, including but not limited to withdrawing any exemption for company or pool names affiliated with the name Nadex, NADEX, or the North American Derivatives Exchange, Inc. Yamin shall also deposit \$23.50 to clear his debit balance with Nadex. Additionally, Yamin’s membership has been revoked and he has been permanently banned from trading on the Nadex markets by any means.

EFFECTIVE DATE: August 20, 2019