
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2020_017(b)

MEMBER: Yulian Zhuang

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

Member Representations Section (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

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

FINDINGS: On September 27, 2019, Nadex Compliance sent Yulian Zhuang (“Zhuang”) an email requesting information regarding general background, source of funds, and details regarding her order and trading activity. Although she fully responded to the inquiry as well as Nadex’s subsequent inquiries, during the course of the investigation, she provided misleading information to the Compliance Department relative to her connections with other Nadex Members. Additionally, Compliance found that she funded her account, at least in part, via a third-party source. Additionally, the investigation revealed that she executed trades in her Nadex account with third party funds and traded her account, at least in part, on behalf of that third party.

Accordingly, the Compliance Department concluded that Zhuang violated the Nadex Membership Agreement, Member Representations Section (d), when she allowed a third party to have a direct economic interest in the activity and trading in her Nadex account and Nadex Rule 5.19(g)(1) when she executed trades in her Nadex account, at least in part, on a

third-party's behalf. Additionally, she violated Nadex Rule 5.19(k) when she provided misleading information to Nadex regarding connections with other Nadex Members.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to fine Yulian Zhuang \$6,000.00. Additionally, Yulian Zhuang's Nadex Membership has been revoked, her account terminated, and she has been permanently banned from trading on Nadex Markets, either directly for her own account or through an intermediary, or as an authorized trader on behalf of any other account.

EFFECTIVE DATE: February 24, 2022