
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2020_026

MEMBER: James Brown

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. . . .

FINDINGS: On November 10, 2020, Nadex Compliance sent James Brown (“Brown”) an Account Inquiry letter requesting, among other things, general background information, banking activity and details regarding his Nadex account. Despite follow-up communications providing Brown with multiple extensions to respond to the request for information, he wholly failed to comply and/or respond to the inquiry letter.

Accordingly, the Compliance Department concluded that Brown violated Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement and Exchange Rule 3.3(a) by wholly failing to cooperate with this investigation.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate that James Brown’s Nadex Membership be 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: January 31, 2022