
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2019_005(a)

MEMBER: Viramany Manavalan

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

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

FINDINGS: In July 2018, the Compliance Department contacted Viramany Manavalan (“Manavalan”) requesting that he provide information including his employment details, trading activity on Nadex, connections to other Nadex Members, general trading knowledge and background, and relevant financial information. Manavalan responded to this request producing certain information. However, the Compliance Department found that Manavalan provided misleading information regarding the nature of his relationship with other Nadex Members, and his banking activity. Further, a review of Manavalan’s bank statements revealed activity which indicated that he utilized funds from third parties to deposit to Nadex for purposes of trading.

Manavalan violated the Nadex Membership Agreement Section (d) and Nadex Rule 5.19(g)(1) when he permitted third parties to have an economic interest in his Nadex account through the use of third-party funds for deposits to Nadex, and, in turn, traded his account on behalf of those third parties. In addition, the Compliance Department concluded that Manavalan violated Nadex Rule 5.19(k)

when he impeded the progress of an investigation by providing misleading information regarding his relationship to other Nadex Members.

PENALTY:

As a result of the aforementioned violations, Viramany Manavalan has been assessed a \$2,000.00 fine, and his Nadex Membership has been revoked, his account terminated, and he has been permanently banned from trading on Nadex markets, either directly for his own account, through an intermediary, or as an authorized trader on behalf of any other account.

EFFECTIVE DATE: January 15, 2020