
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2020_006

MEMBER: Xiaoping Zheng

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 January 14, 2020, the Compliance Department sent Xiaoping Zheng (“Zheng”) an Account Inquiry letter requesting, among other things, general background information, and details regarding his Nadex account. Despite follow-up communications providing Zheng with an extension to respond to the request for information, he failed to comply and/or respond to the inquiry letter. Based on Zheng’s failure to produce the requested documentation and information, he was notified that an Investigation had been opened on February 18, 2020.

Accordingly, the Compliance Department concluded that Zheng violated Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement and Exchange Rule 3.3(a) by wholly failing to respond to Nadex Compliance’s request for information despite multiple opportunities to comply.

PENALTY: Based on the foregoing, the Compliance Department, with approval from the Chief Regulatory Officer, has deemed it appropriate to fine Xiaoping Zheng, \$500.00. Additionally,

Xiaoping Zheng's Nadex Membership shall be revoked, his account terminated, and he shall be 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: November 26, 2021