
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2019_036(b)

MEMBER: Jovanie Ruddock

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. . . .

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (b) No Person shall enter into or attempt to enter into any non-competitive trade on the Market, including any accommodation trade or any trade that has been directly or indirectly prearranged. For example, a Member may not agree in advance with another Member that one of the Members will enter an order and the other Member will attempt to trade against that order by timing the submission of orders or otherwise.
- (k) No Person shall intentionally provide misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

FINDINGS: On June 13, 2019, in light of potentially coordinated trading activity, the Compliance Department sent Jovanie Ruddock ("Ruddock") an Account Inquiry letter requesting, among other things, information regarding his relationship with

another Nadex Member, source of funding, and understanding of Nadex rules. Ruddock responded to certain inquiries and requests for information. However, Ruddock failed to produce full and complete information regarding his trading strategy, timing and placement of orders, as well as his interactions with other Nadex Members while conducting order and trade activity on the Exchange. Nadex Compliance opened this investigation on September 26, 2019 due to Ruddock providing misleading and inaccurate information to Nadex regarding his connection with another Nadex Member and his coordination in trading with this participant. Specifically, upon review of the trading activity in Ruddock's account, and based on a preponderance of the evidence, he engaged in a series of at least seven prearranged trades with another Nadex Member from September 2017 through June 2019.

Based on Nadex's investigation, the Compliance Department concluded that Ruddock violated Exchange Rule 5.19(k) when he impeded the progress of an investigation by providing misleading information regarding his relationship to another Nadex Member. The Compliance Department has also concluded that Ruddock violated Exchange Rule 5.19(b) when he prearranged trades with another Nadex Member for the purpose of circumventing exposure of his orders to open and competitive bidding in the market. The Compliance Department has also concluded that Ruddock violated Member Acknowledgements and Authorizations, Section (h) of the of Nadex Membership Agreement and Exchange Rule 3.3(a) when he failed to fully cooperate with Nadex's investigation, in his failure to respond in full to all requests for information.

PENALTY:

As a result of the aforementioned violations, Jovanie Ruddock has been assessed a \$2,000.00 fine. Additionally, Jovanie Ruddock's 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: October 12, 2020