
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2021_009

MEMBER: Starla Neal

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 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 5.2 TRADING MEMBER AND AUTHORIZED TRADER ACCESS TO NADEX

- (e) Each Trading Member will be responsible for protecting its ID and password, and with respect to an Entity Trading Member, the ID(s) and password(s) of its Authorized Trader(s), from improper disclosure. In addition, a Trading Member may not knowingly or negligently permit any Person not authorized by Nadex and by the Trading Member to use the ID and password to access the secure portion of the Nadex website.

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.

FINDINGS: On March 22, 2021 Nadex Compliance sent Starla Neal (“Starla”) an Account Inquiry letter requesting information including, but not limited to, employment details, trading background, and source of funding. Compliance acknowledges that Starla responded to all requests for information. Based on her responses, Nadex Compliance notified her on June 2, 2021 that an investigation had been opened into her Nadex account. Over the course of its investigation, Starla admitted that she allowed her husband to access, fund and trade her Nadex account after his account had been placed on hold.

Accordingly, the Compliance Department found that Starla 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, Starla violated Nadex Rule 5.2(e) when she admittedly allowed another Nadex Member to log in and access her Nadex account.

PENALTY: Based on the foregoing, the Compliance Department, with approval from the Chief Regulatory Officer, has deemed it appropriate to fine Starla Neal \$1,000.00. Additionally, her Nadex Membership shall be revoked, her account terminated, and she shall be 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: March 3, 2022