
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2018_037

MEMBER: Fabian Basile

NADEX RULES:

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. . . .
- (d) Each Member must immediately notify Nadex in writing upon becoming aware:
 - (v) that the Member, any of the Member's officers or any of the Member's Authorized Traders is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.3(d)(i)-(iv).

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.

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.

FINDINGS: The Nadex Compliance Department commenced an investigation into Member Fabian Basile (“Basile”) following his non-compliance and failure to respond to the Compliance Department’s request for information related to his banking activity. Specifically, Basile failed to provide the source of funds information, complete and accurate copies of bank statements, and information regarding his background and trading strategy. Based on Nadex’s review of his account application, communications with the Exchange, and bank transaction activity, the Compliance Department concluded that Basile made several misrepresentations relating to his account which conflicted with his account activity. Further, the Compliance Department found that, although Basile stated on his Nadex account application that he was unemployed, he later represented that he was a work colleague with another Nadex Member. Further, per an internet search, the Compliance Department found that Basile had an arrest record from September 2018, when he was charged with leaving the scene of a crash with injuries, no valid driver’s license, and false reports of commission of crimes. Basile’s arrest record was never disclosed on his initial application for Nadex Membership.

Basile violated Nadex Rule 3.3(a) and Member Acknowledgments and Authorizations, Section (h) of the Nadex Membership Agreement when he failed to respond to the Exchange’s requests for information. In addition, the Compliance Department concluded that Basile violated Nadex Rule 5.19(k) by indicating on his Nadex Membership application that he was unemployed, but later identifying that he was work colleagues with another Nadex Member. Further, Basile violated Nadex Rule 3.3(d)(v) when he failed to disclose on his Nadex application his arrest record from September 2018.

PENALTY: As a result of the aforementioned violations, Fabian Basile 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 or through an intermediary, or as an authorized trader on behalf of any other account.

EFFECTIVE DATE: December 30, 2019