
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2023_001
MEMBER: Elizabeth Josephbek
NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

Member Acknowledgements and Authorizations, Section (h):

You acknowledge and agree that You will, following a request by crypto.com | Derivatives North America, promptly provide to crypto.com | Derivatives North America financial or other information as crypto.com | Derivatives North America may reasonably request or as may be required for crypto.com | Derivatives North America 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. Additionally, each Member must update its e-mail address within 24 hours after any change and update all other information provided in its application for membership within five days after that information has changed. If any Member or Authorized Trader(s) thereof fail to satisfy these obligations, Nadex may revoke or suspend the Member’s privileges in full or in part. Each Member may also be subject to civil or criminal prosecution.

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (p) No Member shall make a false representation to a third party regarding any deposit made into that Member’s Nadex account which would result in a chargeback or stop payment of funds to the Member’s account.

FINDINGS: On November 22, 2022, the Nadex Compliance Department sent Elizabeth Josephbek an Account Inquiry letter requesting, among other things, general background information,

source of funds information, banking statements and details regarding her order and trading activity. Elizabeth Josephbek failed to comply with this investigation, when she failed to respond, and she was notified that an Investigation had been opened on January 5, 2023. Additionally, the Compliance Department found that Elizabeth Josephbek made a false representation to her bank which resulted in a chargeback to her Nadex account.

Based on Nadex's investigation, the Compliance Department determined that Elizabeth Josephbek violated Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when she failed to cooperate with the Compliance Department's inquiry regarding these matters. Further, Compliance concluded Elizabeth Josephbek violated Nadex Rule 5.19(p) by making a false representation to her bank which resulted in a chargeback to her Nadex account.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to assess Elizabeth Josephbek a fine of \$3,000.00. Additionally, Elizabeth Josephbek's Nadex Membership has been revoked, her account terminated, and she has been 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: January 5, 2024