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**NORTH AMERICAN DERIVATIVES EXCHANGE, INC.**  
**NOTICE OF DISCIPLINARY ACTION**

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**FILE NO.:** INQ\_2021\_005

**MEMBER:** Marcus Perkins

**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. . . .
  
- (d)(ii) Each Member must immediately notify Nadex in writing upon becoming aware that the Member, any of the Member’s officers or any of the Member’s Authorized Traders has been convicted of, pled guilty or no contest to, or entered a plea agreement to, any felony in any domestic, foreign or military court

**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.

**FINDINGS:** The Compliance Department opened this investigation upon receiving information from Nadex’s third-party background service regarding Marcus Perkins’ (“Perkins”) conviction for first degree murder in 2017. Specifically, the Compliance Department was notified that Perkins was found guilty of the crime in July 2017 in California. As part of his Nadex application for Membership, Perkins failed to disclose to Nadex that he was a party to the

aforementioned action. Based on the nature of these allegations and the verification of a positive match to the alert, on February 24, 2021, Nadex Compliance sent Perkins an email requesting further information on the subject alert and the allegations contained therein. Despite multiple unilateral extensions for a response, Perkins failed to respond to Nadex Compliance's request for information.

Finally, Upon review of Perkin's account information and activity, it was noted that on his Nadex account application, Perkins stated that he was employed as the owner at a janitorial services business located in Laguna Beach, CA. However, Nadex Compliance was unable to find evidence of a company or employer in Laguna Beach, CA under the name Perkins provided on his application.

Based on Nadex's investigation, the Compliance Department determined that Perkins violated Nadex Rule 3.3(d)(ii) when he failed to apprise Nadex of his felony conviction and Nadex Rule 5.19(k) when you failed to disclose this information on your initial application for Nadex Membership, in addition to apparently falsifying information such as his employment and residential address. Further, the Compliance Department concluded that Perkins violated Nadex Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when he failed to cooperate with the Compliance Department's request for information regarding the allegations contained in the subject alert

**PENALTY:** Based on the foregoing, the Compliance Department, with approval from the Chief Regulatory Officer, has deemed it appropriate that Marcus Perkins' 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 29, 2021