
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2019_021

MEMBER: Walker Forrester

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.

Electronic Communications with Members:

You must inform Nadex of any changes to Your email address within 24 hours of said change.

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.

- (d) Each Member must immediately notify Nadex in writing upon becoming aware:
 - (ii) 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;

- (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).

FINDINGS: The Nadex Compliance Department commenced an investigation into Member Walker Forrester ("Forrester") upon receiving notice regarding charges brought against him by the United States Attorney for the Southern District of Georgia. The Compliance Department was notified that Forrester was charged with conspiracy to possess with intent to distribute controlled substances; using or maintaining a drug premises; possession with intent to distribute controlled substances; possession of a firearm in furtherance of a drug trafficking crime; possession of an unregistered firearm; and conspiracy to commit money laundering. Specifically, it was alleged that the conspiracy dates back to 2016 and involved the import of large quantities of drugs purchased with cryptocurrency and the manufacture of pills to sell on the Dark Web throughout the State of Georgia. It was further alleged that Forrester was involved in the purchase of an industrial grade pill press and other equipment and ingredients needed for mass production of certain pills. In December 2019, Forrester pled guilty to Possession with Intent to Distribute and to the Distribution of Controlled Carfentanil, Alprazolam, and Marijuana.

During his tenure as a Nadex Member, Forrester failed to timely apprise Nadex that he was a party to the aforementioned criminal matter, nor when the matter was finalized. In addition, Forrester failed to comply with Compliance's investigation when he did not respond to the Compliance Department's request for information regarding the allegations set forth above. Further, Forrester failed to keep his email address current, leaving Nadex unable to contact him via email regarding this investigation.

Forrester violated Nadex Rules 3.3(d)(ii) and (v) when he failed to timely apprise Nadex of the aforementioned criminal matter. In addition, the Compliance Department concluded that Forrester violated 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 inquiry regarding the allegations set forth above. Lastly, the Compliance Department concluded that Forrester violated Rule 3.3(a) and the Electronic Communications with Members section of the Nadex Membership Agreement, when he failed to keep his email address current.

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

EFFECTIVE DATE: May 12, 2020