

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

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**FILE NO.:** TPI\_2017\_027(b)

**MEMBER:** Javid Javanshir

**NADEX RULES:**

**MEMBERSHIP AGREEMENT SECTION (a)** . . . You may not give control over Your account to any other person or entity and You may not control the account of any other Member. . .

**RULE 3.3 MEMBER OBLIGATIONS**

**(a)** . . . 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 . . .

**RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES**

**(b)** No Person shall enter into or attempt to enter into any non-competitive trade on the Market, including any accommodation trade or any trade that has been directly or indirectly prearranged. For example, a Member may not agree in advance with another Member that one of the Members will enter an order and the other Member will attempt to trade against that order by timing the submission of orders or otherwise.

**(c)(3)** No Person shall enter into or attempt to enter into any trade on the Market that: . . . in any way attempts to circumvent the Market's order processing, trade ordering, trade execution systems, or otherwise to circumvent exposure of the order to open and competitive bidding on the Market, or . . .

**(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:** A review of the activity in Javid Javanshir's account revealed that between October 11 and 17, 2017, 10 one-lot trades in the USD/JPY, GBP/USD, EUR/USD, and USD/CAD binary contracts occurred at off-market prices between Javanshir's account and an account held in the name of an individual with whom Javanshir shared a residence, indicating potential pre-arranged trading had occurred. During the investigation, Javanshir admitted to accessing and trading the Nadex account belonging to the individual with whom he resided, however, he failed to respond to the majority of the Compliance Department's inquiries, thereby failing to cooperate in the Department's investigation into his suspicious trading activity. As the result of its investigation, Nadex determined that Javanshir violated Section (a) of the Membership Agreement, as well as Nadex Rule 5.19(g)(1) when he accessed the account of another individual and executed trades on behalf of that account. Additionally, Javanshir violated Rules 5.19(b) and 5.19(c)(3) when he prearranged trades between his account, and the account belonging to the individual with whom he resided for purposes of circumventing exposure of the orders to open and competitive bidding on the market. Lastly, Javanshir was found to have violated Rule 3.3(a) when he failed

to cooperate and fully respond to Nadex's investigation inquiries, despite multiple requests by the Compliance Department.

**PENALTY:** As a result of his activity, Javanshir was fined \$250. Additionally, Javanshir's membership was revoked, and he has been permanently banned from trading on the Nadex markets, either directly for his own account or through any intermediary, or as an authorized trader on behalf of any other account.

**EFFECTIVE DATE:** September 11, 2018