

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

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

**MEMBER:** Valentina Sidorenko

**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 5.2 TRADING MEMBER AND AUTHORIZED TRADER ACCESS TO NADEX**

**(e)** . . . In addition, a Trading Member may not knowingly or negligently permit any Person not authorized by Nadex and by the Trading Member to use the ID and password to access the secure portion of the Nadex website . . .

**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 . . .

**FINDINGS:** A review of the activity in Valentina Sidorenko'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 Sidorenko's account and an account held in the name of an individual with whom Sidorenko shared a residence, indicating potential pre-arranged trading had occurred. During the investigation, Sidorenko admitted granting permission to the individual with whom she resided to access and trade her Nadex account, however, she failed to respond to the majority of the Compliance Department's inquiries, thereby failing to cooperate in the Department's investigation into her suspicious trading activity. As the result of its investigation, Nadex determined that Sidorenko violated Section (a) of the Membership Agreement, as well as Nadex Rule 5.2(e) when she allowed another individual to access and trade her Nadex account. Additionally, Sidorenko violated Rules 5.19(b) and 5.19(c)(3) by allowing prearranged trades to transact between her account and the account belonging to the individual with whom she resided for purposes of circumventing exposure of the orders to open and

competitive bidding on the market. Lastly, Sidorenko was found to have violated Rule 3.3(a) when she failed to cooperate and fully respond to Nadex's investigation inquiries, despite multiple requests by the Compliance Department.

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 Additionally, Sidorenko's membership was revoked, and she has been permanently banned from trading on the Nadex markets, either directly for her own account or through any intermediary, or as an authorized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

**EFFECTIVE DATE:** September 11, 2018