
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2020_005

MEMBER: Zhang Yan

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. . . .

FINDINGS: On October 11, 2019, the Compliance Department sent Zhang Yan (“Yan”) an Account Inquiry letter requesting, among other things, general background information, source of funds information and details regarding order and trading activity. Despite follow-up communications providing her with an extension to respond to the request for information, she failed to comply and/or respond to the inquiry letter. Based on her failure to produce the requested documentation and information, she was notified that an Investigation had been opened on February 18, 2020.

Accordingly, the Compliance Department concluded that Yan violated Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement and Exchange Rule 3.3(a) by wholly failing to respond to Nadex Compliance’s request for information despite multiple opportunities to comply.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to fine Zhang Yan, \$3,000.00. Additionally, the Nadex Compliance Department recommends that her Nadex Membership be revoked, her account terminated, and she be 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: March 3, 2022