
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2019_014

MEMBER: Afshin Hashemi

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:

In order to maintain membership on the Nadex System, You are required to maintain an active email account and You may not share said email account with anyone. (For clarification, You must be the only person able to access the email address given to Nadex.) You agree to protect the password and user identification of such email account in order to protect the confidentiality of any correspondence between You and Nadex.

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;

FINDINGS: The Nadex Compliance Department commenced an investigation into Member Afshin Hashemi upon receiving information from Nadex's third party background service regarding charges brought against him by the Los Angeles District Attorney. Specifically, the Compliance Department was notified that Hashemi had been charged with grand theft, fraud and embezzlement, among other charges. In October 2019, Hashemi pled no contest to four felony counts and was subsequently sentenced to a term of four years in prison. Hashemi failed to timely apprise Nadex that he was a party to the aforementioned criminal matter, nor when this matter was finalized. Hashemi also failed to comply with this investigation when he did not cooperate with the Compliance Department's request for information regarding the allegations set forth above. Additionally, Hashemi failed to keep his email address current, leaving Nadex unable to contact him via email.

Hashemi violated Nadex Rules 3.3(d)(ii) when he failed to timely apprise Nadex of the aforementioned criminal matter. In addition, the Compliance Department concluded that Hashemi 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. Hashemi also violated Exchange Rule 3.3(a) and the Electronic Communications with Members section of the Nadex Membership Agreement by failing to update his e-mail address within 24 hours after any change, preventing Nadex from engaging in communication with Hashemi in this matter.

PENALTY: As a result of the aforementioned violations, Afshin Hashemi'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: April 2, 2020