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

FILE NO.: TPI_2022_005
MEMBER: Bhupinder Singh Ubhi

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

Member Representations, Section (d):

You and, if relevant, Your employees and agents will not trade or otherwise act on behalf of any other person or entity (whether or not a Member) in placing orders on the Nadex System, including by allowing any person not disclosed on the Membership Application to have an economic interest in the trades placed by the Member;

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. . . .

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (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.

- (k) No Person shall intentionally provide misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

FINDINGS: On January 10, 2022, the Nadex Compliance Department sent Bhupinder Singh Ubhi (“Ubhi”) an Account Inquiry letter requesting, among other things, general background information, source of funds information, banking statements and details regarding his order and trading activity. Ubhi failed to fully comply with this investigation, when he failed to produce additional information requested. The Compliance Department also found Ubhi allowed a third-party to fund his Nadex account by transferring funds into his bank account which were subsequently transferred to Nadex, thus providing a third-party with a direct economic interest in the trading activity in his Nadex account. Further, Nadex’s investigation revealed that Ubhi executed trades in his Nadex account with funds that would not have been available to the bank account on record, but for the funding from the third-party and traded his account on behalf of the third-party. Lastly, Ubhi provided misleading information relating to the source of funds deposited into his Nadex account.

Based on Nadex’s investigation, the Compliance Department determined that Ubhi 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 these matters. Further, Compliance concluded that Ubhi violated Nadex Rule 5.19(g)(1) and Member Representations, Section (d) when he executed trades in his Nadex account on a third-party’s behalf and allowed a third-party to have an economic interest in his Nadex account. Lastly, Ubhi violated Nadex Rule 5.19(k) by providing misleading information during the investigation relating to the source of funds deposited into his Nadex account.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to assess Bhupinder Singh Ubhi a fine of \$8,500.00. Additionally, Bhupinder Singh Ubhi’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 8, 2023