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

FILE NO.: INQ_2023_012

MEMBER: Yao Huang

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

Member Acknowledgements and Authorizations, Section (h):

You acknowledge and agree that You will, following a request by crypto.com | Derivatives North America, promptly provide to crypto.com | Derivatives North America financial or other information as crypto.com | Derivatives North America may reasonably request or as may be required for crypto.com | Derivatives North America 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

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

FINDINGS: On September 7, 2023, the Nadex Compliance Department sent Yao Huang an Account Inquiry letter requesting, among other things, general background information, source of funds information, banking statements and details regarding order and trading activity. Yao Huang failed to fully comply with this investigation, when she failed to produce additional information, and she was notified that an Investigation had been opened on October 27, 2023. Additionally, the Compliance

Department also found that Yao Huang provided misleading, erroneous or fraudulent information to an Account Inquiry.

Based on Nadex's investigation, the Compliance Department determined that Yao Huang violated Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when she failed to fully cooperate with the Compliance Department's inquiry regarding these matters and Nadex Rule 5.19(k) by providing misleading, erroneous or fraudulent information in response to an Account Inquiry.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to assess Yao Huang a fine of \$1,500.00. Additionally, Yao Huang's Nadex Membership has been revoked, her account terminated, and she has been 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: October 23, 2024