

NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2018_006

MEMBER: Evertsz Carlos

NADEX RULES:

RULE 3.3 MEMBER OBLIGATIONS

....

(d) Each Member must immediately notify Nadex in writing upon becoming aware:

....

(i) that the Member . . . has had access or trading privileges suspended, or membership denied, in any commodity, securities, or swaps exchange, brokerage, association, or Regulatory Agency;

....

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

....

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

....

FINDINGS: After submitting his Membership application to the Exchange on April 29, 2018 and depositing the requisite minimum deposit amount, the Compliance Department received an alert from its third party background service regarding prior regulatory action pertaining to Carlos Evertsz. The alert indicated that Mr. Evertsz was the subject of two Financial Industry Regulatory Authority (“FINRA”) matters, both of which resulted in trading suspensions, and furthermore, that he had been barred from affiliation with any FINRA member in any capacity. It was also discovered that Mr. Evertsz was party to a customer complaint filed in 2017 alleging claims of unsuitability and currently party to a second customer complaint, also filed in 2017, alleging breach of fiduciary duty. Mr. Evertsz failed to disclose the incidents on his April 2018 application in response to the Qualifying Questions which ask “Have you had trading privileges suspended, been denied access to or membership in, or been the subject of

any formal or informal investigation by a regulated exchange, brokerage, or association?” and “Are you currently party to any actions, or is there a charge pending against you, the resolution of which could result in a Yes answer to any of the question above?”. Mr. Evertsz also failed to inform the Exchange of these incidents after becoming a Member.

Based on its findings and analysis, the Compliance Department determined that Mr. Evertsz violated Nadex Rule 3.3(d)(i), which requires a Member to immediately notify Nadex in writing of any trading privileges suspension, access or membership denial, or in the event the Member is the subject of any formal or informal investigation by a regulated exchange, brokerage, or association, and Rule 5.19(k), which prohibits a Member from intentionally providing erroneous or fraudulent information on a membership application when he failed to disclose his previous suspension and open investigation and instead answered “No” to the relevant application questions.

PENALTY: As a result of Carlos Evertsz’s violations of Exchange Rules 3.3 and 5.19, and due to the serious nature of the incident to which the Exchange was alerted, Mr. Evertsz’s membership has been revoked.

EFFECTIVE DATE: **October 12, 2018**