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

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**FILE NO.:** INQ\_2019\_015

**MEMBER:** Josephine Medina

**NADEX RULES:**

**NADEX MEMBERSHIP AGREEMENT**

Member Acknowledgements and Authorizations, Section (a):

. . . You may not give control over Your account to any other person or entity and You may not control the account of any other Member. You shall maintain the confidentiality of Your Access Materials and prevent the unauthorized use of Your Access Materials at all times.

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 5.2 TRADING MEMBER AND AUTHORIZED TRADER ACCESS TO NADEX**

- (e) Each Trading Member will be responsible for protecting its ID and password, and with respect to an entity Trading Member, the ID(s) and password(s) of its Authorized Trader(s), from improper disclosure. In addition, a Trading Member may not knowingly or negligently permit any Person not authorized by Nadex and by the Trading Member to use the ID and password to access the secure portion of the Nadex website.

**FINDINGS:** The Nadex Compliance Department commenced an investigation into Member Josephine Medina upon discovering information regarding possible connections she had with another Nadex account applicant. Specifically, the Compliance Department uncovered multiple shared commonalities between Medina's account information and another Nadex applicant. Further, through Compliance's investigation it became evident that Medina had allowed an individual other than herself to access and trade her Nadex account. Medina also failed to comply with this investigation when she did not respond to the Exchange's request for information. In particular, Medina failed to provide information regarding her employment, trading background, and connections with other Nadex Members and applicants.

Medina violated Nadex Rule 5.2(e) and Member Acknowledgements and Authorizations, Section (a) of the Nadex Membership Agreement when she allowed an individual other than herself to access and trade her account. In addition, Medina violated Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when she failed to cooperate with the Compliance Department's inquiry regarding her account activity and potential links to another Nadex applicant.

**PENALTY:** As a result of the aforementioned violations, Josephine Medina'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:** April 20, 2020