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

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**FILE NO.:** INQ\_2021\_029

**MEMBER:** Sanjay Shah

**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.

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**

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

**FINDINGS:** On November 8, 2021, Nadex Compliance sent Sanjay Shah ("Sanjay") an email requesting information regarding his relationship to other Nadex Members, prior trading experience, and sources of funding. The email also requested that he provide complete banking statements for all accounts used to fund his Nadex account. Despite multiple emails providing him with

unilateral extensions, he failed to respond to Nadex Compliance's third account inquiry or provide the banking statements as requested by Nadex Compliance.

Accordingly, the Compliance Department concluded that Sanjay violated Nadex Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when he failed to fully cooperate with the Compliance Department's requests for information. Additionally, by making false representations regarding the accessing and funding of his Nadex account, he violated Nadex Rule 5.19(k). Finally, he violated the Nadex Membership Agreement, Member Acknowledgments and Authorizations, Section (a) when he allowed a third party to access and fund his Nadex account.

**PENALTY:** As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate that Sanjay Shah be fined \$1,000.00. Additionally, his Nadex Membership shall be 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:** February 25, 2022