
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2020_010

MEMBER: Wenxuan He

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

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 January 10, 2020, the Nadex Compliance Department sent Wenxuan He 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. The Compliance Department acknowledges that Wenxuan He responded and provided certain information, However, Wenxuan He failed to provide the Exchange with information regarding his relationship with other Nadex Members as well as requested banking statements. Additionally, Wenxuan He also provided false and/or misleading information regarding his banking and trading activity.

Based on Nadex's investigation, the Compliance Department determined that Wenxuan He violated 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 inquiry regarding these matters. Additionally, the Compliance Department concluded that Wenxuan He violated Exchange Rule 5.19(k) when he provided misleading information related to his banking and trading activity.

PENALTY: Based on the foregoing, the Compliance Department, with approval from the Chief Regulatory Officer, has deemed it appropriate to fine Wenxuan He, \$3,000.00. Additionally, Wenxuan He's Nadex Membership shall be revoked, his account terminated, and he shall be permanently banned from trading on Nadex markets, either directly for his own account, through an intermediary, or as an authorized trader on behalf of any other account.

EFFECTIVE DATE: November 12, 2021