
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2020_017(c)

MEMBER: Leok Leong Koon

NADEX RULES:

NADEX MEMBERSHIP AGREEMENT

Member Representations Section (d):

You and, if relevant, Your employees and agents will not trade or otherwise act on behalf of any other person or entity (whether or not a Member) in placing orders on the Nadex System, including by allowing any person not disclosed on the Membership Application to have an economic interest in the trades placed by the Member

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (g)(1) No individual Trading Member shall trade for a person or entity other than itself and no Authorized Trader of an Entity Trading Member shall trade for a person or entity other than the Entity Trading Member for whom that Person is an Authorized Trader.
- (k) No Person shall intentionally provide misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

FINDINGS: On October 11, 2019, the Compliance Department sent Leok Leong Koon (“Koon”) an Account Inquiry Letter requesting, among other things, general background information, source of funds information, and details regarding his order and trading activity. Compliance acknowledges that he fully responded to this inquiry as well as follow up inquiries. However, throughout the investigation he provided misleading information to Compliance regarding his connections with other Nadex Members. Further, Compliance found that he funded his account, at least in part, via a third-party source. Additionally, the investigation revealed that he executed trades in his Nadex account with third party funds and traded his account, at least in part, on behalf of that third party.

Accordingly, the Compliance Department concluded that Koon violated the Nadex Membership Agreement, Member Representations Section (d), when he allowed a third party to have a direct economic interest in the activity and trading in his Nadex account and Nadex Rule 5.19(g)(1) when he executed trades in his Nadex account, at least in part, on a third-

party's behalf. Additionally, he violated Nadex Rule 5.19(k) when he provided misleading information to Nadex regarding his connections with other Nadex Members.

PENALTY: As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to fine Leok Leong Koon \$6,000.00. Additionally, Leok Leong Koon's Nadex Membership has been revoked, his account terminated, and he has been permanently banned from trading on Nadex Markets, either directly for his own account or through an intermediary, or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