

NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2017_008

MEMBER: Anton Bshara

NADEX RULES:

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

(g) . . . No individual or entity Trading Member may deposit funds, or allow funds to be deposited into their Nadex account from any bank account or debit card not held in the same name as their Nadex account.

(h) No Person shall engage in activity that presents a risk of harm to Nadex, its Members, or the public.

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

(q) No Member shall allow its settlement account balance to become negative by any means. In the event that a Member's settlement account balance becomes negative, the Member must immediately deposit additional funds to correct the deficiency.

(t) No Member shall engage in conduct or practices inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the Exchange, its Members, and/or FCM Members.

FINDINGS: In May 2015, Anton Bshara ("Bshara") applied for, and was granted Membership and access to the Nadex. Shortly thereafter, in June 2015, Wells Fargo Bank ("Wells Fargo") sent an affidavit which asserted that four unauthorized transactions, totaling \$20,000, occurred whereby the funds were transferred from a Wells Fargo client account into a Nadex account that did not belong to their customer. Nadex discovered that the Nadex account belonged to Anton Bshara, who neither had an ownership interest, nor authorized access to the Well Fargo account from which the funds were taken. Bshara subsequently used the funds to enter trades on the Exchange in the EUR/USD, EUR/GBP, AUD/USD, and Bitcoin Binary contracts. Wells Fargo reclaimed the \$20,000 for their customer, leaving Bshara's Nadex account with a negative balance of -\$20,183.05. The identification verification documents Bshara provided as part of the application process all appeared to be valid and unaltered. Based on its investigation, the Compliance Department concluded that the Nadex account was opened by the true Anton Bshara, and that Bshara had fraudulently obtained and used funds from a bank account that did not belong to him to enter transactions on the Exchange. Accordingly, Bshara was found to have violated Nadex Rule 5.19(g) when he deposited funds to his Nadex account from a bank account that was held in a name other than the name on his Nadex account. Bshara provided misleading, erroneous, and fraudulent information to Nadex, when he deposited funds from the Wells Fargo account, indicating that

the bank account belonged to him, in violation of Rule 5.19(k). Further, Bshara violated Rule 5.19(q) when he allowed his Nadex balance to become negative after Wells Fargo retrieved the \$20,000, and he failed to correct the deficit. Moreover, Bshara's activity presented a risk of harm to Nadex and was detrimental to the best interests of Nadex when he deposited and traded funds that did not belong to him, and which Nadex ultimately had to relinquish to Wells Fargo, causing Bshara's account to become negative. Therefore, Bshara has violated Nadex Rules 5.19(h) and (t).

PENALTY: As a result of the violations, Anton Bshara's Nadex Membership has been terminated and he has been permanently banned from the Exchange.

EFFECTIVE DATE: March 12, 2018