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

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**FILE NO.:** TPI\_2021\_026

**MEMBER:** Marcio Filho

**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 3.1 TRADING MEMBERS - APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES**

- (f) A Trading Member that is an individual, may not maintain and/or trade more than one Nadex account. No Authorized Trader(s), nor any officer, director, member, manager, owner, or indirect owner, of an Entity Trading Member may maintain a separate Nadex account and/or trade any Nadex account other than that Entity's account.

**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 August 17, 2021, the Nadex Compliance Department sent Marcio Filho 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. Marcio Filho failed to fully comply with this investigation, when he failed to produce additional information and he was notified that an Investigation had been opened on October 6, 2021. The Compliance Department also found that Marcio Filho provided misleading information relating to his relationship with other Nadex Members, despite sharing account commonalities with other Nadex Members. Further, the Compliance Department found that Marcio Filho deposited funds into third parties Nadex Members bank accounts, which were subsequently transferred to Nadex, thus he had a direct economic interest in the activity and trading of other Nadex Members.

Based on Nadex's investigation, the Compliance Department determined that Marcio Filho 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. Further, Compliance concluded Marcio Filho violated Rule 3.1(f) by having a direct economic interest in the activity and trading of other Nadex members by depositing funds into third party Nadex Member's bank accounts, which were transferred to Nadex and subsequently traded. Lastly, Compliance concluded Marcio Filho violated Nadex Rule 5.19(k) by providing misleading information during the investigation regarding his relationship with other Nadex Members.

**PENALTY:** As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to assess Marcio Filho a fine of \$7,000.00. Additionally, Marcio Filho'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:** October 3, 2022