

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

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**FILE NO.:** INQ\_2017\_028

**MEMBER:** Rodney Bowman

**NADEX RULES:**

**RULE 3.3 MEMBER OBLIGATIONS**

(d) Each Member must immediately notify Nadex in writing upon becoming aware:

(i) that the Member . . . has had access or trading privileges suspended, or membership denied, in any commodity, securities, or swaps exchange, brokerage, association, or Regulatory Agency;

**RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES**

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

**FINDINGS:** Rodney Bowman (“Bowman”) applied for Nadex membership in October 2017, and deposited the requisite funds to open an account the same day he applied. Subsequently, the Compliance Department received an alert from its third party background service indicating that Rodney Douglas Bowman had been barred from association with any NASD member firm in any capacity. Based on its investigation Compliance found the alert was a positive match to the new Nadex member of the same name, and that Bowman had actually been the subject of two NASD regulatory actions; the first involving allegations of securities fraud and manipulation in which a temporary bar, fines and restitution were assessed, and the second, in which Bowman failed to comply with requests for information and documentation in connection with a routine examination of a NASD member firm. Bowman failed to disclose the regulatory incidents on his application, however, and instead answered “No” to the Qualifying Question that asks if the applicant had ever had trading privileges suspended, been denied access to or membership in, or been the subject of any formal or informal investigation by a regulated exchange brokerage or association. Compliance therefore determined that Bowman had violated Rule 5.19(k) when he failed to disclose the incidents on his application, and provided a false answer to the question pertaining to his regulatory background, and Rule 3.3(d)(ii) when he failed to correct the

inaccuracy and notify Compliance of his regulatory history in writing after becoming a member.

**PENALTY:** As a result of Rodney Bowman's violations of Exchange Rules 3.3 and 5.19, and due to the serious nature of the incidents to which the Exchange was alerted and the risk Bowman poses to the Exchange, Bowman's membership has been revoked and he has been permanently banned from the Exchange.

**EFFECTIVE DATE:** July 24, 2018