

NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2017_017(b)

MEMBER: Robert Ramsey

NADEX RULES:

RULE 5.2 TRADING MEMBER AND AUTHORIZED TRADER ACCESS TO NADEX

(e) Each Trading Member will be responsible for protecting its ID and password, and with respect to an entity Trading Member, the ID(s) and password(s) of its Authorized Trader(s), from improper disclosure. In addition, a Trading Member may not knowingly or negligently permit any Person not authorized by Nadex and by the Trading Member to use the ID and password to access the secure portion of the Nadex website. A Trading Member that is an entity, and its Authorized Trader(s) are prohibited from allowing any other person or entity from using these credentials to access the Nadex markets. Each Trading Member is required to immediately notify Nadex if it knows, or has reason to believe, that its ID or the ID and/or password of any Authorized Trader have been disclosed to any Person not authorized by Nadex and the Trading Member to use such ID and/or password. Under any circumstances, the Trading Member will be deemed to know that such ID and/or password have been disclosed to an unauthorized person 12 hours after any order is entered by that unauthorized person in your account.

MEMBERSHIP AGREEMENT

(a) You may not give control over Your account to any other person or entity and You may not control the account of any other Member. You shall maintain the confidentiality of Your Access Materials and prevent the unauthorized use of Your Access Materials at all times. If You become aware of any deliberate or inadvertent disclosure, loss, theft or unauthorized use of Your Access Materials, You must notify Nadex immediately and request a new password. You may not access or attempt to access the Nadex System using the Access Materials of any other Member, or permit any other person or entity to access or attempt to access the Nadex System using Your Access Materials. Any and all materials that Nadex provides to You in connection with the Nadex System are the property of Nadex and are intended for Your sole and individual use.

FINDINGS: An investigation into Robert Ramsey's ("Ramsey") account activity led to Nadex's discovery that on numerous occasions between August 1, 2016 and May 10, 2017 ("Review Period"), Ramsey allowed his son, Davis Ramsey ("Davis"), to access his account for the purpose of entering transactions on his behalf. In a related investigation, Nadex discovered that Davis engaged in a scheme to successfully manipulate, or attempt to manipulate, the expiration value of Nadex binary contracts and that he employed the same scheme when he entered transactions in Ramsey's account during the Review Period. In this related matter, pursuant to a settlement agreement, Davis agreed to pay disgorgement of all relevant gains resulting from his manipulative

activity, including gains in Ramsey's account. By allowing Davis to access and enter transactions in his account, Ramsey violated Nadex Rule 5.2(e) and Section (a) of the Membership Agreement, which prohibit an individual Trading Member from allowing another Person to access and control that Member's account.

PENALTY: By settlement agreement, in which Robert Ramsey neither admitted nor denied the findings or conclusions of the investigation, Ramsey was assessed a fine of \$5,000.00. Additionally, pursuant to the agreement, Ramsey's membership has been revoked, and he has been permanently banned from trading on the Nadex markets by any means.

EFFECTIVE DATE: February 4, 2019