
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: INQ_2021_028

MEMBER: Matthew Ribar

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.

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 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

- (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.

- (g)(2) 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 any activity that presents a risk of harm to Nadex, its Members, or the public.
- (m) No Member may operate or solicit in any capacity that may require registration with the Commodity Futures Trading Commission (CFTC) without being properly registered.

FINDINGS: On August 26, 2021, Nadex Compliance sent Matthew Ribar (“Ribar”) an Account inquiry letter, requesting relevant information including but not limited to general background, prior trading experience, and source of funds, among other items. The Account Inquiry also requested complete and unredacted copies of bank statements for all bank accounts linked to Ribar’s Nadex account showing any and all deposits to Nadex. Despite multiple opportunities to respond to this letter, Ribar failed to respond to any of Nadex’s requests for information and documentation. As a result, on October 22, 2021, Ribar was notified that an investigation had been opened.

Over the course of its investigation, the Compliance Department found that, based on a preponderance of the evidence, Ribar solicited funds from another Nadex Member for the purposes of trading those funds in his Nadex account on the other Member’s behalf, and subsequently executed trades with those funds.

Accordingly, the Compliance Department found that Ribar violated Exchange Rules 5.19(g)(1), (g)(2), (h), and (m), as well as the Nadex Membership Agreement, Member Representations, Section (d). Additionally, the Compliance Department concluded that Ribar violated Nadex Rule 3.3(a) and Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement when he failed to cooperate with the Compliance Department’s requests for information.

PENALTY: By settlement agreement, in which Matthew Ribar neither admitted nor denied the findings or conclusions of the investigation, Ribar has been assessed a \$600.00 fine. Additionally, Matthew Ribar’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: July 27, 2022