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

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**FILE NO.:** TPI\_2023\_003

**MEMBER:** Yongfen Du

**NADEX RULES:**

**NADEX MEMBERSHIP AGREEMENT**

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 crypto.com | Derivatives North America 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 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:** The Nadex Compliance Department's investigation revealed that Yongfen Du allowed a third-party to fund her Nadex account by transferring funds into her bank account which were subsequently transferred to Nadex, thus providing a third-party with a direct economic interest in the trading activity in her Nadex account. Lastly, Yongfen Du provided misleading information relating to the source of funds deposited into her Nadex account.

Based on Nadex's investigation, the Compliance Department determined that Yongfen Du violated Member Representations, Section (d), of the Nadex Membership Agreement when she allowed a third-party to have an economic interest in her Nadex account. Additionally, Yongfen Du violated Nadex Rule 5.19(k) by providing misleading information during the investigation relating to the source of funds deposited into her Nadex account.

**PENALTY:** As a result of the aforementioned violations, the Nadex Compliance Department has deemed it appropriate to assess Yongfen Du a fine of \$4,000.00. Additionally, Yongfen Du's Nadex Membership has been revoked, her account terminated, and she has been permanently banned from trading on Nadex Markets, either directly for her own account or through an intermediary, or as an authorized trader on behalf of any other account.

**EFFECTIVE DATE:** January 17, 2024