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

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**FILE NO.:** INQ\_2018\_027

**MEMBER:** Jirayer Vartatanain

**NADEX RULES:**

**NADEX MEMBERSHIP AGREEMENT - MEMBER ACKNOWLEDGEMENTS AND AUTHORIZATIONS**

(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 3.3 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 . . . .

**RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES**

(p) No Member shall make a false representation to a third party regarding any deposit made into that Member's Nadex account which would result in a chargeback or stop payment of funds to the Member's account.

(q) No Member shall allow its settlement account balance to become negative by any means. In the event that a Member's settlement account balance becomes negative, the Member must immediately deposit additional funds to correct the deficiency.

**FINDINGS:** A review of Jirayer Vartatanain's ("Vartatanain") account indicated that Vartatanain had made false claims to his banking institution for the purpose of initiating unauthorized claims on ACH deposits previously made to his Nadex account. This in turn caused Vartatanain's account balance to become negative, as he had already used funds from the deposits to enter transactions in Nadex markets. The amount of the disputed ACH deposits totaled \$11,000.00, which ended up resulting in a total debit balance of -\$11,039.25. After reviewing these unauthorized claims and the reasons therein, the Compliance

Department found all to be without merit. Accordingly, Vartatanain was found to have violated Rule 5.19(p) when he made false statements to his bank leading to unauthorized claims on funds he had already used to trade in his Nadex account, and Rule 5.19(q) when he allowed his account to become negative and failed to immediately correct the deficit. Further, the Compliance Department determined that Vartatanain violated Nadex Rule 3.3(a) and Section (h) of the Nadex Membership Agreement, Member Acknowledgements and Authorizations when he failed to respond to Compliance's attempts to contact him to obtain information pertinent to the investigation.

**PENALTY:** As a result of the violations, Jirayer Vartatanain's Nadex Membership has been revoked and he has been permanently banned from the Exchange.

**EFFECTIVE DATE:** October 3, 2019