
NORTH AMERICAN DERIVATIVES EXCHANGE, INC.
NOTICE OF DISCIPLINARY ACTION

FILE NO.: TPI_2019_040

MEMBER: Xie Wang

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.

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. . . .
- (d) Each Member must immediately notify Nadex in writing upon becoming aware:
 - (i) That the Member, any of the Member's officers or any of the Member's Authorized Traders 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 misleading, erroneous, or fraudulent information to Nadex on a membership application or otherwise.

FINDINGS: On October 11, 2019, the Compliance Department sent Xie Wang ("Wang") an Account Inquiry letter requesting, among other things, general background

information, copies of relevant bank statements, source of funds information, and details regarding his order and trading activity. Wang responded to certain inquiries and requests for information. However, despite several extensions provided for deadlines to respond to subsequent inquiries, Wang failed to fully cooperate with Nadex Compliance's inquiry. Specifically, Wang failed to adequately respond to requests for further information regarding individuals and related activity identified on his bank statements. Further, during the course of this investigation, Wang provided misleading information to the Compliance Department relative to his connections with other Nadex Members and his past trading experiences at multiple trading venues. Finally, Wang failed to notify Nadex in writing that his trading privileges had been suspended at another trading venue prior to or during this investigation.

Based on Nadex's investigation, the Compliance Department concluded that Wang violated Exchange Rule 3.3(d)(i) when he failed to immediately notify Nadex in writing that his trading privileges had been suspended at another trading venue. The Compliance Department has also concluded that Wang violated Member Acknowledgements and Authorizations, Section (h) of the Nadex Membership Agreement and Exchange Rule 3.3(a) by failing to fully cooperate with this investigation. Additionally, Wang violated Exchange Rule 5.19(k) when he provided false and/or incomplete information related to his connections with other Nadex Members, and his past trading experience at other trading venues.

PENALTY: As a result of the aforementioned violations, Xie Wang has been assessed a \$3,500.00 fine. Additionally, Xie Wang'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, through an intermediary, or as an authorized trader on behalf of any other account.

EFFECTIVE DATE: November 13, 2020