

**North American Derivatives Exchange  
Emergency Action**

Per North American Derivatives Exchange Rule 2.4, the undersigned two members of the Management Team have authorized the adoption of a temporary emergency rule to address the emergency following emergency:

Indicate the type of emergency being addressed (as listed in Rule 2.4(c)) (check appropriate):

- (i)  any activity that manipulates or attempts to manipulate the Market;
- (ii)  any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;
- (iii)  any circumstance that may materially affect the performance of the Contracts traded on Nadex;
- (iv)  any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct impact on trading on Nadex;
- (v)  any circumstances that may have a severe, adverse impact upon the physical functions of Nadex including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;
- (vi)  the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Member to perform on Contracts;
- (vii)  any circumstance in which it appears that a Nadex Member or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Nadex Members or Nadex itself; and
- (viii)  any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on Nadex.

The reason for the emergency action is: The Nadex Initial Jobless Claims ("IJC") Binary contracts are settled using the unemployment insurance benefits claims number as determined by the U.S Department of Labor, Employment and Training Administration Division as the expiration value. This number is typically released every Thursday. In preparation for its listing schedule for the week of December 21, 2020 to accommodate the 2020 Christmas holiday, Nadex reviewed multiple websites which confirmed the number would be released per its regular schedule on Thursday, December 24, 2020. Nadex submitted its amended listing schedule for the week of December 21, 2020 to the Commission on December 4, 2020. On December 17, 2020, Nadex again reviewed multiple websites to confirm the release date of the unemployment insurance benefits claims as December 24, 2020. The number, however, was released on the morning of December 23, 2020, forcing Nadex to close its IJC contracts earlier than their listed expiration time. Two members were negatively impacted by the issue after entering trades with a third member after the number was released. The negatively impacted Members were refunded their losses, which totaled \$420.50. After contacting the Department of Labor to inquire as to the change, it was explained that President Donald Trump had declared December 24, 2020 as a federal holiday, essentially giving federal employees the day off. Accordingly, it was determined the unemployment insurance benefits claims number would be released on December 23, 2020. The Federal Reserve Bank of St. Louis was also contacted and stated that its website had not been updated with the new release date until Friday, December 18, 2020. Both the Department of Labor and the Federal Reserve Bank of St. Louis confirmed the next release date would not be impacted by the New Year's holiday during the week of December 28, 2020. Therefore, Nadex does not intend to amend its listing hours for the IJC contracts during the week of December 28, 2020.

By: \_\_\_\_\_

Title: Chief Commercial Officer

By: Andrew J. Snyder

Title: Chief Financial Officer

Date: December 23, 2020