



## U.S. COMMODITY FUTURES TRADING COMMISSION

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January 3, 2012

Mr. Yossi Beinart  
Chief Executive Officer and President  
North American Derivatives Exchange, Inc.  
311 South Wacker Drive  
Suite 2675  
Chicago, Illinois 60606

Re: Notification of Stay of Certification of Proposed Political Event Derivatives  
Contracts and Related Rule Amendments

Dear Mr. Beinart:

This is to inform you that the Commission has, pursuant to Commission Regulation 40.11(c), commenced a 90-day review of the North American Derivatives Exchange's ("Nadex's") self-certified submission dated and received by the Commission on December 19, 2011, and its proposed political event derivatives contracts as they "may involve, relate to, or reference an activity" enumerated in Commission Regulation 40.11(a)(1), including but not limited to "gaming, or an activity that is unlawful under any State or Federal law." Accordingly, the Commission requests, pursuant to Commission Regulation 40.11(c)(1), that Nadex suspend the listing and trading of its proposed political event derivatives contracts during the pendency of the Commission's 90-day review period which will commence as of the date of this stay notification letter.

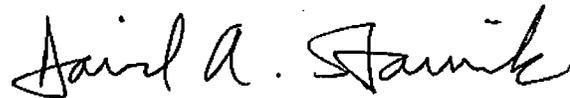
In addition, this is to inform you that the Commission is, pursuant to Commission Regulation 40.6(c)(1), staying Nadex's certification of proposed amendments to Rules 1.1 and 4.4, submitted to accommodate the proposed political event derivatives contracts. Because these proposed rule amendments are so closely tied to the proposed contracts, which present novel and complex issues, the amendments also present novel or complex issues that require additional time to analyze. The Commission's 90-day review period of these proposed rule amendments will commence as of the date of this stay notification later.

Please note that the Commission will, consistent with Commission Regulations 40.11(c)(1) and 40.6(c)(2), post on the Commission's website a notification of (1) its intent to carry out a 90-day review period of Nadex's submission and (2) with respect to Nadex's proposed rule amendments, the dates and submission format of the 30-day public comment period within the 90-day period in which the stay is in effect. In order to assist the Commission in its evaluation of the subject submission, the Commission intends to supplement that posting with the submission itself and specific questions regarding the consistency of the proposed

political event derivatives contracts with the Commodity Exchange Act and the Commission's regulations.

If you have questions regarding this notification, please feel free to contact Phil Colling (pcolling@cftc.gov; 202-418-5287) or Ali Hosseini (ahosseini@cftc.gov; 202-418-6144).

Sincerely,

A handwritten signature in black ink that reads "David A. Stawick". The signature is written in a cursive style with a large, stylized initial 'D'.

David A. Stawick  
Secretary of the Commission