



Timothy G. McDermott
+1 (312) 884-0171
tim.mcdermott@nadex.com

January 31, 2014

Via E-Mail: submissions@cftc.gov

Ms. Melissa Jurgens
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington D.C. 20581

RE: Self-Certification Rule Amendments: Nadex Amends Its Rollover Schedule and Underlying Months for its Corn and Soybeans Contracts– Submission Pursuant to Commission Regulation §40.6(a)

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and section §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act (the “Regulations”), North American Derivatives Exchange, Inc. (“Nadex”, the “Exchange”) hereby submits to the Commission its intent to amend its rollover schedule and underlying futures months Nadex uses to calculate the expiration value of the relevant Corn and Soybeans contracts on their expiration dates.

Nadex offers Corn and Soybeans Binary and Variable Payout contracts based upon the underlying CBOT Corn futures and Soybeans futures contracts, respectively. Currently, the last day on which Nadex would use a particular underlying Corn or Soybeans futures month to calculate the expiration value of the relevant Corn and Soybeans contracts on their expiration dates is the last Friday of the month preceding the current underlying futures contract month. For example, if the CBOT Corn December 2013 futures contracts had an expiration date of December 19, 2013, the last date on which the Corn December 2013 futures prices would be used as the Underlying for Nadex contracts and to calculate the expiration value on the expiration date for the relevant Corn contracts would be the last Friday of the preceding month, November. Therefore, the end date for using CBOT Corn December 2013 futures would be November 29, 2013 and the start date for using the CBOT March 2014 futures would be November 30, 2013.

CME Group has recently provided notice that it plans to change the methodology for determining the roll date in its CBOT Corn and Soybeans products. The new roll date will occur on the

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

12th business day of the calendar month that precedes the current lead month. For example, if the current lead contract month in the CBOT Corn futures is March 2014, the May 2014 contract month would become the lead month on February 19, 2014, which is the 12th business day of February (the month preceding the current lead month of March). In order to conform to the roll schedule for the CBOT Corn and Soybeans futures upon which the Nadex Corn and Soybeans contracts are based, Nadex is amending its methodology for determining the roll date for its contracts as well. All Nadex Corn and Soybeans contracts will now roll to the new underlying futures contract month on the 12th business day of the calendar month that precedes the Underlying futures contracts current lead month, with the exception of Weekly contracts which are listed on a Monday during a week containing an underlying futures rollover date. Weekly contracts will be listed using the underlying futures month scheduled to be used to determine the expiration value on the day that contract expires.

Additionally, Nadex currently bases its Corn contracts on the CBOT Corn March, May, July, September, and December futures months, and bases its Soybeans contracts on the CBOT Soybeans January, March, May, July, August, September, and November futures months. In order to determine its roll dates, CBOT uses only the lead months of March, May, July, and December for its Corn futures contracts, and January, March, May, July, and November for its Soybeans futures contracts. In order to conform to the underlying schedule upon which Nadex bases its contracts, and to accurately determine its roll dates based on the underlying lead months, Nadex is removing 'September' from its underlying Corn futures months schedule, and removing 'August' and 'September' from its underlying Soybeans futures months schedule.

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by these changes: Core Principle 3 Contracts Not Readily Subject to Manipulation; Core Principle 4 Prevention of Market Disruption; Core Principle 7 Availability of General Information.

Core Principles 3 and 4 require the DCM to list on the contract market only contracts that are not readily susceptible to manipulation, and to monitor market data in order to detect and prevent manipulative activity. The amended methodology for determining the roll over dates for the Nadex Corn and Soybeans contracts and underlying futures months schedule will not increase the risk of manipulation, as the change is being made to conform to the availability of the underlying market upon which these contracts are based. Additionally, the change will not affect the settlement calculation process, nor the SMARTS Surveillance System, which Nadex uses to assist with market monitoring.

Core Principle 7 requires the DCM to make available the terms and conditions of the contracts available on its market. Nadex makes available on its website the rollover schedule for all of its products, as well as the Nadex Rulebook which sets forth all contract specifications, including the methodology for calculating the roll date and underlying futures months schedule. The underlying lead months are also displayed on the Nadex website on the 'Contract Specifications' page.

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by these changes: 39.12 Participant and Product Eligibility; 39.21 Public Information.

Core Principle 39.12 requires the DCO to determine the eligibility of contracts for clearing. The change in roll date determination and underlying futures month schedule is being implemented to conform to the methodology used in the underlying contracts upon which Nadex contracts are based.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

Payout criterion, settlement calculation process, and the maker maker's obligation to provide a market in these products will remain unchanged, and conformance with the underlying schedule will provide a more active market for participants and accurate reflection of the market at settlement.

Core Principle 39.21 requires the DCO to make available to the public the terms and conditions of each contract. As stated above, the Nadex Rulebook (reflecting all contract specifications) and rollover schedule are available on the Nadex website, as are the underlying futures months schedule on the 'Contract Specifications' page.

Therefore, the amendments described in this submission will not negatively impact Nadex's obligations to comply with the Core Principles described above.

The amended Summary Chart outlines the Rule changes in Exhibit A. The amendments to the Rulebook are set forth in Exhibit B. Any deletions are stricken out while the amendments and/or additions are underlined.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), Nadex intends to implement these amendments on trade date February 18, 2014.

No substantive opposing views were expressed to Nadex with respect to this amendment.

Nadex hereby certifies that the revisions contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder.

Nadex hereby certifies that a copy of these amendments was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0171 or by email at tim.mcdermott@nadex.com.

Sincerely,



Timothy G. McDermott
General Counsel and Chief Regulatory Officer

cc: DMOSubmission@cftc.gov
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC
Eileen Donovan - CFTC

John Austin – Nadex

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.12	Corn Variable Payout	Daily: 2:15pm close time	Amend Rollover Date and Underlying Months	2/18/2014
12.13	Corn Binary Contracts	Daily: 2:15pm close time Weekly: 2:15pm close time	Amend Rollover Date and Underlying Months	2/18/2014
12.14	Soybeans Variable Payout	Daily: 2:15pm close time	Amend Rollover Date and Underlying Months	2/18/2014
12.15	Soybeans Binary Contracts	Daily: 2:15pm close time Weekly: 2:15pm close time	Amend Rollover Date and Underlying Months	2/18/2014

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT B

Amendment of 12.12-12.15

(The following Rule amendments are underlined and deletions are stricken out)

RULES 1.1 – 12.11 [UNCHANGED]

RULE 12.12 CORN VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), as calculated by Nadex using a proprietary algorithm which takes a sampling of prices¹ obtained from the specified Corn Futures contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)². The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, ~~September~~, or December CNFC delivery months (each a “CNFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying, will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last day preceding the Start Date. The Start Date will be the 12th business day of the calendar month that precedes the Underlying futures contracts current lead month. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, if the CBOT Corn March May 2014~~2~~ futures is the current lead month and used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts, the CBOT Corn July 2014 futures will become the current lead month on April 16, 2014, the 12th business day of the month preceding the current lead month (May), and become the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts. The last day on which the Corn May 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date is April 15, 2014, which is the last trading day preceding April 16, 2014, the Start Date of the July 2014 futures. have an Expiration Date of March 14, 2012. The last day on which the Corn March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Corn March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT

¹ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own settlement price.

² CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex or its products in any way.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

~~Corn May 2012 futures, will be February 25, 2012. Nadex, in its discretion, may accelerate the End Date (which shall still occur on a Friday) and roll early to the next Underlying delivery month or bypass a particular Underlying delivery month entirely based on the trading activity in that Underlying market. Any such decision to roll to a subsequent Underlying delivery month will be announced made no later than two business days prior to such new scheduled Start Date.~~

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Corn Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE CORN CONTRACTS, 2:15 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread Corn Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(aa) CAP – The Cap shall be $X + 20$.

(bb) FLOOR – The Floor shall be $X - 20$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(2) In each case, “X” equals the last Corn price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY VARIABLE CORN CONTRACTS, 2:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Corn Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACTS ‘NARROW SPREAD’

(aa) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 20$.

(bb) CONTRACT 2; The Cap shall be $X + 10$; The Floor shall be $X - 10$.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(cc) CONTRACT 3: The CAP shall be $X + 20$; The Floor shall be X .

(dd) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(2) In each case, “X” equals the last Corn price, as reported by the Source Agency rounded to the nearest 10.

(iii) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for Corn Variable Payout Contracts shall be 0.10.

(h) REPORTING LEVEL – The Reporting Level for the Corn Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – The Position Limits for Corn Variable Payout Contracts shall be 62,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Corn Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the level of Corn as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CNFC trade prices just prior to the close of trading of the Corn Variable Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) CNFC trade prices, rounded to one decimal point past the precision of the underlying market.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source agency, the Settlement Date will be delayed until the Underlying number is released for the Series.

RULE 12.13 CORN BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), herein after referred to as “Corn”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices³ obtained from the specified Corn Futures Contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)⁴. The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, ~~September~~, or December CNFC delivery months (each a “CNFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying, will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last day preceding the Start Date. The Start Date will be the 12th business day of the calendar month that precedes the Underlying futures contracts current lead month. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, if the CBOT Corn ~~March~~ May 2014~~2~~ futures is the current lead month and used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts, the CBOT Corn July 2014 futures will become the current lead month on April 16, 2014, the 12th business day of the month preceding the current lead month (May), and become the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts. The last day on which the Corn May 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date is April 15, 2014, which is the last trading day preceding April 16, 2014, the Start Date of the July 2014 futures⁵. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, ~~the CBOT Corn March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Corn March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the~~

³ *Supra*, at fn 14.

⁴ *Supra*, at fn 15.

⁵ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the Expiration Value on the day the contract expires. For example, the Start Date for the CBOT Corn July 2014 Underlying futures is April 16, 2014. April 16, 2014 is a Wednesday, and therefore, and any Nadex weekly contracts listed on Monday, April 14, 2014 and expiring on Friday, April 18, 2014, will be listed using the CBOT Corn July 2014 futures as its Underlying, as July is the futures month scheduled to be used to determine the Expiration Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the CBOT Corn July 2014 futures will be Monday, April 14, 2014 for any Nadex weekly contracts listed on this date.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

~~Expiration Value on the Expiration Date for the relevant Corn contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Corn March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Corn May 2012 futures, will be February 25, 2012. Nadex, in its discretion, may accelerate the End Date (which shall still occur on a Friday) and roll early to the next Underlying delivery month or bypass a particular Underlying delivery month entirely based on the trading activity in that Underlying market. Any such decision to roll to a subsequent Underlying delivery month will be announced made no later than two business days prior to such new scheduled Start Date.~~

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Corn Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY CORN BINARY CONTACTS, 2:15 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X
– 14.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X
– 12.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X
– 10.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X
– 8.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X
– 6.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X
– 4.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X
– 2.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

+ 2.
(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than X

X + 4.
(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than

X + 6.
(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than

X + 8.
(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than

X + 10.
(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than

X + 12.
(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than

X + 14.
(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than

(16) In each case, "X" equals the last Corn price rounded to the nearest one (1), as reported by the Source Agency.

(ii) WEEKLY CORN BINARY CONTRACTS, 2:15 PM ET CLOSE

15.
(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y-

10.
(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y-

5.
(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y-

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Y.

5.
(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Y+

10.
(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y+

15.
(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y+

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(8) In each case, “Y” equals the last Corn price rounded to the nearest 0.5, as reported by the Source Agency.

(iii) Nadex may list additional Corn Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK - The Minimum Tick size for Corn Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the Corn Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT - The Position Limit for Corn Binary Contracts shall be 2,500 Contracts.

(j) LAST TRADING DATE - The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE - The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE - The Expiration Date of the Contract will be the date on which the Corn Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE - The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money Corn Binary Contract is \$100.

(n) EXPIRATION VALUE - The Expiration Value is the level of Corn as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CNFC trade prices just prior to the close of trading of the Corn Binary Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CNFC trade Prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES - If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.14 SOYBEANS VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Soybeans Variable Payout Contracts issued by Nadex.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(b) UNDERLYING – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices⁶ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading on the Chicago Board of Trade (CBOT®)⁷. The SBFC prices that will be used to calculate the Underlying will be taken from the January, March, May, July, ~~August, September~~, or November SBFC delivery months (each a “SBFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying, will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last day preceding the Start Date. The Start Date will be the 12th business day of the calendar month that precedes the Underlying futures contracts current lead month. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, ~~if the CBOT Soybeans March 2012~~ is the current lead month and used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts, the CBOT Soybeans July 2014 futures will become the current lead month on April 16, 2014, the 12th business day of the month preceding the current lead month (May), and become the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts. The last day on which the Soybeans May 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date is April 15, 2014, which is the last trading day preceding April 16, 2014, the Start Date of the July 2014 futures. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, ~~the CBOT Soybeans March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Soybeans March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Soybeans March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Soybeans May 2012 futures, will be February 25, 2012. Nadex, in its discretion, may accelerate the End Date (which shall still occur on a Friday) and roll early to the next Underlying delivery month or bypass a particular Underlying delivery month entirely based on the trading activity in that Underlying market. Any such decision to roll to a subsequent Underlying delivery month will be announced made no later than two business days prior to such new scheduled Start Date.~~

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

⁶ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

⁷ CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex or its products in any way.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Soybeans Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE SOYBEANS CONTRACTS, 2:15 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread Soybeans Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(aa) CAP – The Cap shall be $X + 40$.

(bb) FLOOR – The Floor shall be $X - 40$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(1) In each case, “X” equals the last Soybeans price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY VARIABLE SOYBEANS CONTRACTS, 2:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Soybeans Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACTS ‘NARROW SPREAD’

(aa) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 40$.

(bb) CONTRACT 2; The Cap shall be $X + 20$; The Floor shall be $X - 20$.

(cc) CONTRACT 3: The CAP shall be $X + 40$; The Floor shall be X.

(dd) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(2) In each case, “X” equals the last Soybeans price, as reported by the Source Agency rounded to the nearest 10.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

(iii) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) **MINIMUM TICK** – The Minimum Tick size for Soybeans Variable Payout Contracts shall be 0.10.

(h) **REPORTING LEVEL** – The Reporting Level for the Soybeans Variable Payout Contracts shall be 1,562 Contracts.

(i) **POSITION LIMIT** – The Position Limits for Soybeans Variable Payout Contracts shall be 31,250 Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date of the Contract is the same date as the Settlement Date.

(k) **SETTLEMENT DATE** – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the Soybeans Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the level of Soybeans as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SBFC trade prices just prior to the close of trading of the Soybeans Variable Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) **CONTINGENCIES** – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source agency, the Settlement Date will be delayed until the Underlying number is released for the Series.

RULE 12.15 SOYBEAN BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Soybean Binary Contracts issued by Nadex.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

(b) UNDERLYING – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices⁸ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading in the Chicago Board of Trade (CBOT®)⁹ The SBFC prices that will be used to calculate the Underlying will be taken from the January, March, May, July, ~~August, September~~, or November SBFC delivery months (each a “SBFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying, will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last day preceding the Start Date. The Start Date will be the 12th business day of the calendar month that precedes the Underlying futures contracts current lead month. typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, ~~if the CBOT Soybeans March 2012~~ futures is the current lead month and used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts, the CBOT Soybeans July 2014 futures will become the current lead month on April 16, 2014, the 12th business day of the month preceding the current lead month (May), and become the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts. The last day on which the Soybeans May 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date is April 15, 2014, which is the last trading day preceding April 16, 2014, the Start Date of the July 2014 futures¹⁰. ~~typically the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the CBOT Soybeans March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Soybeans March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Soybeans March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Soybeans May 2012 futures, will be February 25, 2012. Nadex, in its discretion, may accelerate the End Date (which shall still occur on a Friday) and roll early to the next Underlying delivery~~

⁸ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

⁹ CBOT® is a registered service mark of the Chicago Board of Trade. Nadex is not affiliated with the Chicago Board of Trade and neither the Chicago Board of Trade, nor its affiliates, sponsor or endorse Nadex in any way.

¹⁰ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the Expiration Value on the day the contract expires. For example, the Start Date for the CBOT Soybeans July 2014 Underlying futures is April 16, 2014. April 16, 2014 is a Wednesday, and therefore, and any Nadex weekly contracts listed on Monday, April 14, 2014 and expiring on Friday, April 18, 2014, will be listed using the CBOT Soybeans July 2014 futures as its Underlying, as July is the futures month scheduled to be used to determine the Expiration Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the CBOT Soybeans July 2014 futures will be Monday, April 14, 2014 for any Nadex weekly contracts listed on this date.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

~~month or bypass a particular Underlying delivery month entirely based on the trading activity in that Underlying market. Any such decision to roll to a subsequent Underlying delivery month will be announced made no later than two business days prior to such new scheduled Start Date.~~

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Soybean Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY SOYBEANS BINARY CONTRACTS, 2:15 PM ET CLOSE

21. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X -

18. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X -

15. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X -

12. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X -

9. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X -

6. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X -

- 3. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X.

+ 3. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than X

X + 6. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

X + 9. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than

X + 12. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than

X + 15. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than

X + 18. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than

X + 21. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than

(16) In each case, "X" equals the last Soybean price rounded to the nearest one (1), as reported by the Source Agency.

(ii) WEEKLY SOYBEANS BINARY CONTRACTS, 2:15 PM ET

CLOSE

- 30. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y

20. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y -

10. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y -

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Y.

+ 10. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Y

+ 20. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y

+ 30. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y

(8) In each case, "Y" equals the last Soybean price rounded to the nearest 0.5, as reported by the Source Agency.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(iii) Nadex may list additional Soybean Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK - The Minimum Tick size for Soybean Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the Soybean Binary Contract shall be 1750 Contracts.

(i) POSITION LIMIT - The Position Limit for Soybean Binary Contract shall be 2500 Contracts.

(j) LAST TRADING DATE - The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE - The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE - The Expiration Date of the Contract will be the date on which the Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE - The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money Soybean Binary Contract is \$100.

(n) EXPIRATION VALUE - The Expiration Value is the level of Soybeans as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SBFC trade prices just prior to the close of trading of the Soybean Binary Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES - If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULES 12.16 – 12.78 [UNCHANGED]

[End Rulebook]

[the remainder of this page is intended to be blank]

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com