



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

November 2, 2012

Via E-Mail: submissions@cftc.gov

Mr. David Stawick
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: Rule Certification: Nadex Amends its Holiday Schedule for its US Indices, FTSE 100[®], Germany 30 and Commodities for Trade Date November 23, 2012 and Amends its Rules 9.2 and 9.4 Regarding Disciplinary Procedures – Submission pursuant to Commission Regulation §40.6(a)

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex”) hereby submits to the Commission its intent to amend its listing schedule for its US indices, FTSE 100[®], Germany 30 and commodities for trade date Friday, November 23, 2012.

For trade date November 23, 2012, the Nadex will observe the following modified schedule:

- Trading in US 500, US Tech 100, US SmallCap 2000, and Wall St 30 contracts will open at 8:00am ET and close at 1:15pm ET; intraday 2-hour contracts which normally expire at 2pm, 3pm, and 4pm ET will not be offered on this day;
- Trading in FTSE 100[®] and Germany 30 contracts will open at 8:00am ET and close at 1:00pm ET; intraday 2-hour contracts which normally expire at 2pm, 3pm and 4pm ET will not be offered on this day;
- Trading in Corn and Soybean contracts will open at their regular time of 10:30am ET and close at 1:00pm ET;

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- Trading in Crude and Natural Gas contracts will open at 8am ET and close at 1:30pm ET; intraday 2-hour contracts which normally expire at 2:00pm ET will not be offered on this day;
- Trading in Gold, Silver, and Copper contracts will open at 8am ET; all Gold contracts will close at 12:30pm ET; all Silver contracts will close at 12:25pm ET; all Copper contracts will close at 12:00pm ET; intraday 2-hour contracts which normally expire at 1:00pm ET will not be offered on this day;
- Trading in Currency contracts will open at 8am ET and close at their regular times;
- No Japan 225 contracts will be offered on this trade date.

Nadex will return to its regular listing schedule for trade date November 26, 2012.

Nadex is making these amendments to its listing schedule for November 23, 2012 to conform to the listing schedule for the underlying products upon which the Nadex derivatives are based. These amendments will be effective for the start of business on November 23, 2012.

No Core Principles have been identified as potentially being impacted by the change in closing times for trade date November 23, 2012.

Additionally, Nadex is amending language in its Rule 9.2 (Investigations, Hearings, and Appeals), in order to clarify that an investigation report, hearing officer's findings, and/or board of director's appeal decision will be sent to the Member who is the subject of an investigation by U.S. Postal mail to the Member's last known address, as well as by electronic mail. Nadex is also amending its Rule 9.4 (Notice and Publication of Decision) to clarify that notice will be sent to the Member who is the subject of the investigation, and concurrently with the Commission, no later than two business days after the disciplinary action, appeal decision, or settlement becomes final, and that notice of the action will be posted on Nadex's website for five consecutive business days.

Nadex has identified the following Designated Contract Market ("DCM") Core Principle as potentially being impacted by these amendments: Core Principle 13 Disciplinary Procedures. While this Principle describes the requirements and the procedures a DCM must follow when enforcing its Rules and prosecuting violations, it does not specifically state how notice of disciplinary actions should be provided to the Member who is the subject of the action, when notice should be provided to the Commission, or when and how long notice of the action should be made public. Therefore, the amendments to specifically state how and when notice will be provided is not in conflict with the obligations of this Principle.

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by these amendments: DCO Core Principle H deals

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with “Rule Enforcement” and Core Principle J addresses “Reporting Requirements”. The Commission has promulgated Commission Regulation 39.17 Rule Enforcement and Regulation 39.19 Reporting in furtherance of these Core Principles. Regulation 39.17 requires the DCO to report to the Commission regarding rule enforcement activities and sanctions imposed against clearing Members, and 39.19(c)(4)(xi) requires the DCO provide to the Commission notice of the action, no later than 2 business days after sanctions imposed. In practice Nadex complies with this Principle by posting notice of the disciplinary action on the National Futures Association’s BASIC database within two business days of the imposition of the sanction.

Rule changes have been outlined in Exhibit A, and Rule amendments are attached hereto in Exhibit B. Rule amendments and additions have been underlined and deletions have been stricken out.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), this filing will become effective November 19, 2012.

No substantive opposing views were expressed to Nadex with respect to these amendments.

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

Nadex certifies that a copy of these amended listing hours 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
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)
Riva Adriance – CFTC
Nancy Markowitz – CFTC
Eileen Donovan – CFTC

Yossi Beinart - Nadex

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Exhibit A

Rule	Asset	Duration/ Close Time	Action	Effective Date
9.2	Investigations, Hearing, and Appeals	N/A	Add language to include mailing of reports, decisions, notices to Member.	11/19/2012
9.4	Notice and Publication of Decision	N/A	Amend language and time frame regarding notice of disciplinary action provided to the Commission; include public notice of action on website.	11/19/2012

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Exhibit B

Amendment of 9.2 and 9.4

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

RULES 1.1 – 9.1 [UNCHANGED]

RULE 9.2 INVESTIGATIONS, HEARINGS, AND APPEALS

(a) Nadex has a compliance department consisting of one or more compliance staff. The Chief Regulatory Officer is responsible for overseeing the compliance department. The Compliance Department shall investigate unusual trading activity or other activity that the Compliance Department has reasonable cause to believe could constitute a violation of these Rules. Nadex retains hearing officers, who adjudicate findings by the Compliance Department that are disputed by Members. Hearing officers and the Compliance Department may not communicate regarding the merits of a matter brought before the hearing officer without informing the Member who is the subject of the communication of its substance and allowing the Member an opportunity to respond. The Compliance Department and hearing officers may compel testimony, subpoena documents, and require statements under oath from any Member or its authorized representative. Hearing officers, Compliance Department staff and other employees or agents of Nadex working under their supervision, may not be a Member or an authorized representative of a Member or trade, directly or indirectly, in any commodity interest traded on or subject to the rules of any registered contract market.

(b) The Compliance Department will endeavor to complete any investigation within four months, unless there exists significant reason to extend it beyond such period. Upon the conclusion of any investigation, the Compliance Department will draft a document detailing the facts that led to the opening of the investigation, the facts that were found during the investigation, and the Compliance Department's analysis and conclusion. If the Compliance Department concludes that there is reasonable cause to believe a Member has violated Nadex's Rules or other applicable statutes or regulations, the Compliance Department will submit ~~by electronic mail~~ to the Member whose activity is the subject of the investigation a report, by electronic mail and U.S. Postal mail to that Member's last known address, that will include:

- (i) the reason the investigation was begun;
- (ii) the charges or a summary of the charges, including the rule or rules alleged to have been violated;
- (iii) the response, if any, or a summary of the response;
- (iv) a summary of the investigation conducted;

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(v) findings of fact and the Compliance Department's conclusions as to each charge, including which of these Rules the Member or its authorized representative violated, if any;

(vi) a summary of the Member's, and any relevant authorized representative's, disciplinary history, if any; and

(vii) the penalty, if any, proposed by the Compliance Department.

(c) If the Compliance Department institutes an investigation in which any affiliate of Nadex is a subject, Nadex's Chief Regulatory Officer shall notify the Commission's Division of Market Oversight of that fact. At the conclusion of any such investigation, the Chief Regulatory Officer shall provide the Commission's Division of Market Oversight with a copy of the documentation specified in subparagraph (b) of this Rule.

(d) The Member whose activity is the subject of the investigation may contest the Compliance Department's findings by forwarding a response to those findings by electronic mail to the Compliance Department within 15 days. The Member has a right to examine all relevant books, documents, or other evidence in the possession or under the control of Nadex, except that Nadex may withhold from inspection any documents that (i) are privileged or that constitute attorney work product, (ii) were prepared by any employee of Nadex but which will not be offered in evidence in the disciplinary proceedings, (iii) may disclose a technique or guideline used in examinations, investigations, or enforcement proceedings, or (iv) disclose the identity of a confidential source. The Member's response must contain a detailed response to the findings and conclusions as to each charge and any other information the Member thinks is relevant.

(e) If the findings of the Compliance Department are not contested by the Member, Nadex will deem those findings admitted by the Member, the findings of fact and the Compliance Department's conclusions as to each charge shall become final and the Compliance Department shall impose the penalty (if any) proposed by the Compliance Department. The Member will be notified of the imposition of any penalty and sent a copy of the notice of disciplinary action by electronic mail and U.S. Postal mail to that Member's last known address.

(f) If the findings of the Compliance Department are contested, the Compliance Department's report and the Member's response will be submitted to a Nadex hearing officer. The hearing officer may not have a financial, personal or other direct interest in the matter under consideration.

(i) The hearing officer will conduct a hearing with the Compliance Department and the Member within 20 business days of receipt of the Member's response contesting the compliance officer's finding and/or proposed sanction which the parties may attend telephonically. The formal rules of evidence shall not apply, but the hearing must be fair.

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(ii) Prior to the hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses.

(iii) Within 20 business days after that hearing, the hearing officer will issue findings, which will be delivered to the Member by electronic mail and U.S. Postal mail to the Member's last known address. The findings of the hearing officer will contain the following information:

- (1) a summary of the charges and any answer to the charges;
- (2) a summary of the evidence received;
- (3) findings and conclusions with respect to each charge;
- (4) an indication of each specific rule that the member was found to have violated;
- (5) a declaration of any penalty to be imposed on the Member as the result of the findings and conclusions;
- (6) the effective date and duration of that penalty; and
- (7) a statement that the Member has the right to appeal any adverse decision by the hearing officer to the Nadex board of directors, but must do so within 15 days.

(i) The hearing officer's decision shall be final on the date it is signed by the hearing officer. The hearing officer's decision shall become the final decision of Nadex after the appeal period has lapsed.

(ii) The hearing will be recorded, and all information submitted by the parties (including the Compliance Department's report and the Member's response) as well as the recording of the hearing, will be preserved by the Compliance Department, along with the hearing officer's findings, as the record of the proceedings (the "hearing record").

(g) Either the Member or the Compliance Department may appeal the decision of the hearing officer within 15 days by filing an appeal by electronic mail with the Nadex board of directors and forwarding a copy to the other parties to the appeal. Any penalties will be stayed pending appeal unless the hearing officer determines that a stay pending appeal would likely be detrimental to the exchange, other Members, or the public. The board of directors will review the hearing record and any information submitted by the Compliance Department and the Member on appeal and issue its decision, which shall be final on the date of such issuance. The Member shall be notified of the decision by electronic mail and by U.S. Postal mail to the Member's last known address. The hearing record, any information submitted on appeal, and the

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board's decisions shall be preserved as the record on appeal. The decision will contain the information listed in paragraph (f) of this Rule, except for (f)(vi), and will also contain:

(i) a statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 days of service; and

(ii) a statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

RULE 9.3 [UNCHANGED]

RULE 9.4 NOTICE AND PUBLICATION OF DECISION

(a) Nadex will provide to the person charged, and concurrently to the Commission, a copy of an adverse investigation report notice of the disciplinary action, appeal determination, or settlement in which sanctions are imposed, no later than two business days ~~within 30 days~~ after it becomes final in accordance with the provisions of Commission Regulation 39.19(c)(4)(xi)9.11.

(b) Within ~~30~~ two business days after a decision becomes final, notice of any decision providing that a Member is suspended, expelled, disciplined or denied access to the Exchange shall be provided to the National Futures Association for inclusion in its internet accessible database of disciplinary matters. ~~Additionally, Nadex will promptly report such decisions on its website.~~

(c) Nadex will make public notice of the disciplinary action when that action becomes final by posting on its website the information required by Commission Regulation 9.11, for a period of five consecutive business days in accordance with Commission Regulation 9.13.

RULE 9.5 – 12.78 [UNCHANGED]

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