



April 17, 2017

Via CFTC Portal

Mr. Christopher J. Kirkpatrick  
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: Notice of Emergency Action: NadexFX Data Feed Disconnection - Submission Pursuant to Commission Regulation §40.6(a)**

Dear Mr. Kirkpatrick:

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 this notice of emergency action.

On April 17, 2017, at 10:53:13am ET, Nadex experienced an issue with its NadexFX data feed, the feed from which Nadex obtains data from the underlying markets upon which its foreign currency contracts are based. Data obtained from the NadexFX feed is used to calculate the expiration value for all foreign currency contracts, as well as the calculation of values on the Indicative Charts on the platform. The issue caused a disconnection of the feed from the Exchange and a restart of the server to which the feed was connected. The feed was unable to connect to the Exchange after the server restart, however, and Nadex was not receiving underlying data for both the production and demo environments. The connection was re-established at approximately 2:07:03pm ET.

Any foreign currency contracts that expired between 10:53:13am and 2:07:03pm were settled manually using the corresponding underlying market data from Bloomberg. 5-Minute and 2-Hour Intraday contracts resumed listing at 2:35pm and 2:55pm respectively. The Nadex Daily contracts

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which were scheduled to expire at 3:00pm ET remained open throughout the day, and continued to be priced by one of Nadex's market makers, thereby enabling Members to continue trading these contracts. No Member experienced financial harm as the result of the issue.

The above action was taken pursuant to Nadex Rule 7.1 (Adjustments), which allows Nadex to adjust the terms of an outstanding Series of contracts as it deems appropriate in the event the Underlying becomes unavailable. Additionally, Nadex Rule 12.1(h) states that "Nadex may, in its discretion, temporarily refrain from the listing of any contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract."

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

This emergency action is authorized by the Chief Executive Officer and the Chief Compliance Officer of Nadex per Nadex Rule 2.4.

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

Nadex hereby certifies that a copy of this amendment 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) 884-0927 or by email at [jaime.walsh@nadex.com](mailto:jaime.walsh@nadex.com).

Sincerely,



Jaime Walsh  
Legal Counsel