



December 19, 2016

Via email submission@cftc.gov

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: Nadex Crude Oil Binary and Variable Payout Contracts Listed With Incorrect Futures Month - 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.

The Nadex Crude Oil contracts are based on the underlying NYMEX Crude Oil Futures contract, which rolls to the next futures month on a monthly basis. The Nadex Crude Oil Binary and Variable Payout contracts should have rolled from the “January 2017” futures month to the “February 2017” futures month after the close of business on Friday, December 16, 2016. Due to human error, when the roll date was scheduled in the admin system, an end date of “December 16, 2017” was mistakenly scheduled, rather than “December 16, 2016”. As a result, the Nadex Crude Oil contracts were listed on trade date December 19, 2016, Nadex Crude Oil Binary and Variable Payout based on the January 2017 futures, rather than February 2017. Daily and Weekly Crude Oil contracts opened at their regular times, and the 10:00am ET expiration 2-Hr Intraday Binary and Variable Payout contracts, as well as the 6.5 hour Intraday Variable Payout contracts were listed at 8:00am ET. The error was discovered on the morning of December 19, 2016, and all contracts were halted for trading at approximately 8:06am ET.

A total of nineteen trades had occurred in the Daily and Weekly Crude Oil contracts (no trades in the Intraday contracts). As the Nadex Crude Oil (January 2017) contracts should not have been listed, Nadex made a ledger adjustment to all counterparties that had traded these contracts to return those traders to the position they would have had if they had not entered the transaction.

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

All Crude Oil Daily and Weekly contracts were properly listed with the "February 2017" underlying month at 12:50:51pm ET, and Intraday contracts were listed at 12:52:35pm ET.

In order to prevent future instances of such error, the Operations Department will verify that the correct roll date had been scheduled in the admin system on the day the new month is scheduled, on the day the next month's roll date is scheduled, and on the last day of the contract month. The dates will be verified by two staff members from the Operations Department.

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 Financial 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.

Sincerely,



Jaime Walsh
Legal Counsel