

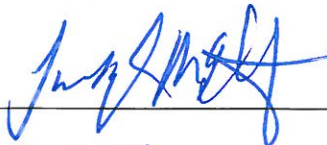
**North American Derivatives Exchange  
Emergency Action**

Per North American Derivatives Exchange Rule 2.4, the undersigned two members of the Management Team have authorized the adoption of a temporary emergency rule to address the emergency following emergency:


Indicate the type of emergency being addressed (as listed in Rule 2.4(c)) (check appropriate):

- (i)  any activity that manipulates or attempts to manipulate the Market;
- (ii)  any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;
- (iii)  any circumstance that may materially affect the performance of the Contracts traded on, Nadex;
- (iv)  any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct impact on trading on Nadex;
- (v)  any circumstances that may have a severe, adverse impact upon the physical functions of Nadex including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;
- (vi)  the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Member to perform on Contracts;
- (vii)  any circumstance in which it appears that a Nadex Member or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Nadex Members or Nadex itself; and
- (viii)  any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on Nadex.

The reason for the emergency action is: On trade date December 19, 2016, Nadex Crude Oil Binary and Variable Payout contracts should have experienced a futures month rollover, and been listed based on the underlying NYMEX Crude Oil "February 2017" futures contract, rather than the "January 2017" futures contract. Due to human error, the Daily and Weekly Crude Oil contracts opened on December 19, 2016 at their regular times, but were listed based on the "January 2017" futures contract. 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, also based on the "January 2017" futures contract. The error was discovered on the morning of December 19, 2016, and all contracts were halted 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. 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.

By: 

Title: CEO

By: 

Title: CFO

Date: December 19, 2016