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Nadex, Inc.
311 South Wacker Drive
Suite 2675
Chicago, IL 60606

OFFICE OF THE
SECRETARIAT

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

February 1, 2011

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's Amendment to the Currency Intraday Binary Payout Criterion in Rules 12.21-12.24, and 12.39, Addition of AUD/USD Binary and Variable Payout Contracts in Rules 12.96 and 12.97, and Delisting of Core CPI Binary, RBOB Variable Payout and Binary Contracts in Rules 12.48, 12.44 and 12.45 Respectively – Submission Pursuant to Commission Regulation §§40.2 and 40.6(a)

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and sections 40.2 and 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") hereby submits to the Commission amendments to the Payout Criterion of its Currency Intraday Binary Contracts, as set forth in Rules 12.21, 12.22, 12.23, 12.24, and 12.39. Additionally, Nadex intends to amend its rules to add its new AUD/USD Binary and Variable Payout Contracts. Nadex hereby submits the terms and conditions of the new AUD/USD Binary and Variable Payout Contracts as represented in the following new Rules:

RULE 12.96 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

RULE 12.97 CURRENCY EXCHANGE AUD/USD BINARY CONTRACTS

The AUD/USD, which are cash-settled contracts, will have Expiration Values that are calculated based on an average of the midpoints of the most recent bid and ask prices in the underlying Spot AUD/USD rate immediately prior to the Contract's expiration. Widely

traded cash markets currently exist for the underlying Spot AUD/USD rate upon which the Nadex AUD/USD Contracts are based.

The AUD/USD Variable Payout Contracts will be offered with one-day, 5-hour/8-hour, and 2-hour intraday durations and the Binary Contracts will be offered with one-week, one-day and 2-hour intraday durations.

Nadex, as the Source Agency, will calculate an Expiration Value for each Contract by taking the midpoint of the last twenty-five (25) Spot AUD/USD bid and ask prices immediately prior to the expiration of the Nadex AUD/USD Contracts, removing the highest five (5) and lowest five (5) Spot AUD/USD midpoints, and using the remaining fifteen (15) Spot AUD/USD midpoints to calculate the Expiration Value. The calculation is a simple average of all fifteen (15) remaining Spot AUD/USD midpoints.

The calculation methodology for the Expiration Values mitigates the possibility of manipulation or any party trading with advance knowledge of the Expiration Value prior to expiration of the Contract. The underlying Spot AUD/USD is traded in real-time; it is not possible for an "early" release of the Spot AUD/USD trade prices or the relevant Expiration Value for the Contract to occur, as trading in the Contract on the Nadex exchange ceases concurrently with the fixing of the relevant prices that will be used in calculating the Expiration Value. On the Expiration Date, Nadex will publish on its website the Expiration Value for each listed Contract after the expiration of that Contract.

Finally, Nadex intends to discontinue its listing of the Core Consumer Price Index Binaries, and RBOB Variable Payout and Binary Contracts, set forth in Rules 12.48, 12.44, and 12.45 respectively.

These amendments and additions would be effective for the start of business on trading day Monday, February 7, 2011.

In Exhibit A, Nadex has outlined the amendments to the Rules. In Exhibit B, Nadex has set forth the text of its amended Rules 12.21, 12.22, 12.23, 12.24, 12.39 and new Rules 12.96 and 12.97 to reflect all of the terms and conditions of the new Contracts in accordance with Commission Regulations §§40.2 and 40.6(a).

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

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

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)
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.21	EUR/USD	Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Amend Intraday Binary Payout Criterion	02/07/2011
12.22	GBP/USD	Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Amend Intraday Binary Payout Criterion	02/07/2011
12.23	USD/YEN	Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Amend Intraday Binary Payout Criterion	02/07/2011
12.24	USD/CHF	Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Amend Intraday Binary Payout Criterion	02/07/2011
12.39	USD/CAD	Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Amend Intraday Binary Payout Criterion	02/07/2011
12.96	AUD/USD	Daily 3pm ET Close; Intraday 5hr/8hr Contracts 11pm, 7am, 3pm ET Close; Intraday 2hr Contracts 8pm, 9pm, 10pm, 11pm, 12am, 1am, 2am, 3am, 4am, 5am, 6am, 7am, 8am, 9am, 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Add AUD/USD Variable Payout Contracts	02/07/2011
12.97	AUD/USD	Daily & Weekly 3pm ET Close; Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Add AUD/USD Binary Contracts	02/07/2011

EXHIBIT B

Amendment of Rules 12.21-12.24, Rule 12.39 and Addition of New Rules 12.96 and 12.97

(The following new Rule additions are underlined and deletions are stricken out)

RULE 1.1 -12.20 [Unchanged]

RULE 12.21 CURRENCY EXCHANGE EUR/USD BINARY CONTRACT

(a) - (e) [Unchanged]

(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 EUR/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) – (ii) [Unchanged]

(iii) INTRADAY EUR/USD BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z1$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, Z1 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY EUR/USD BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, Z2 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY EUR/USD BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3 - 0.0050 ~~0.0100~~.

(2) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3.

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3 + 0.0050 ~~0.0100~~.

(4) In each case above, Z3 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY EUR/USD BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z4 - 0.0050 ~~0.0100~~.

(2) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z4.

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z4 + 0.0050 ~~0.0100~~.

(4) In each case above, Z4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY EUR/USD BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z5 - 0.0050 ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z5.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than Z5 + 0.0050 ~~0.0100~~.

(4) In each case above, Z5 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY EUR/USD BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z6 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z6$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z6 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z6$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(g) - (o) [Unchanged]

RULE 12.22 CURRENCY EXCHANGE GBP/USD BINARY CONTRACT

(a) - (e) [Unchanged]

(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 GBP/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) - (ii) [Unchanged]

(iii) INTRADAY GBP/USD BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z1 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z1$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z1 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z1$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY GBP/USD BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z2 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z2$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z2 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z2$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts

(v) INTRADAY GBP/USD BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z3 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z3$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z3 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z3$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY GBP/USD BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z4$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z4 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z4$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY GBP/USD BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z5 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z5.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than Z5 + 0.0050 ~~0.0100~~.

(4) In each case above, Z5 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY GBP/USD BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z6 - 0.0050 ~~0.0100~~.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z6.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than Z6 + 0.0050 ~~0.0100~~.

(4) In each case above, Z6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(g) - (o) [Unchanged]

RULE 12.23 CURRENCY EXCHANGE USD/YEN BINARY CONTRACT

(a) - (e) [Unchanged]

(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 USD/YEN Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) - (ii) [Unchanged]

(iii) INTRADAY USD/YEN BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1 - 0.30 ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.30$ ~~0.75~~.

(4) In each case above, $Z1$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY USD/YEN BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.30$ ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.30$ ~~0.75~~.

(4) In each case above, $Z2$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY USD/YEN BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 0.30$ ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z3$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 0.30$ ~~0.75~~.

(4) In each case above, $Z3$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY USD/YEN BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 0.30$ ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z4$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 0.30$ ~~0.75~~.

(4) In each case above, Z4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY USD/YEN BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 - 0.30 ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 + 0.30 ~~0.75~~.

(4) In each case above, Z5 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY USD/YEN BINARY CONTRACTS, 1:00PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 - 0.30 ~~0.75~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 + 0.30 ~~0.75~~.

(4) In each case above, Z6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(g) - (o) [Unchanged]

RULE 12.24 CURRENCY EXCHANGE USD/CHF BINARY CONTRACT

(a) - (e) [Unchanged]

(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 USD/CHF Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) – (ii) [Unchanged]

(iii) INTRADAY USD/CHF BINARY CONTRACTS, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z1$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z1$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY USD/CHF BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z2$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY USD/CHF BINARY CONTRACTS, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z3$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z3$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY USD/CHF BINARY CONTRACTS, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z4$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z4$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY USD/CHF BINARY CONTRACTS, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z5 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z5$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z5$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY USD/CHF BINARY CONTRACTS, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - \underline{0.0040}$ ~~0.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z6$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + \underline{0.0040}$ ~~0.0080~~.

(4) In each case above, $Z6$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(g) - (o) [Unchanged]

RULE 12.25 – RULE 12.38 [Unchanged]

RULE 12.39 CURRENCY EXCHANGE USD/CAD BINARY CONTRACT

(a) - (e) [Unchanged]

(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 USD/CAD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) - (ii) [Unchanged]

(iii) INTRADAY USD/CAD BINARY CONTRACTS, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z1$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z1$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY USD/CAD BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z2$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY USD/CAD BINARY CONTRACTS, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z3$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z3$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY USD/CAD BINARY CONTRACTS, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z4$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z4$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY USD/CAD BINARY CONTRACTS, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z5 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z5$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, $Z5$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY USD/CAD BINARY CONTRACTS, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - \underline{0.0050}$ ~~0.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z6$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + \underline{0.0050}$ ~~0.0100~~.

(4) In each case above, Z6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(ix) Nadex may list additional USD/CAD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations

(g) - (o) [Unchanged]

RULE 12.40 – RULE 12.95 [Unchanged]

RULE 12.96 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Australian dollar/US dollar, herein referred to as “AUD/USD” as quoted in US dollars per Australian dollar obtained from the spot AUD/USD foreign currency market.

(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 AUD/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE AUD/USD SPREAD CONTRACTS, 3:00 PM ET CLOSE - At the commencement of trading in a Daily Spread AUD/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:

(1) DAILY VARIABLE AUD/USD SPREAD CONTRACT:

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(ii) INTRADAY VARIABLE AUD/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X - 0.0200.

(2) CONTRACT 2: The Cap shall be X + 0.0100; The Floor shall be X - 0.0100

(3) CONTRACT 3: The Cap shall be X + 0.0200; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 10,000.

(5) In each case, "X" equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE AUD/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X - 0.0100.

(2) CONTRACT 2: The Cap shall be X + 0.0050; The Floor shall be X - 0.0050

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 10,000.

(5) In each case, "X" equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) 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 AUD/USD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL - The Reporting Level for the AUD/USD Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT - There are currently no Position Limits for AUD/USD Variable Payout Contracts.

(j) LAST TRADING DATE - The Last Trading Date in a Series 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 AUD/USD 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 price or value of AUD/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the AUD/USD Variable Payout Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(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 12.97 CURRENCY EXCHANGE AUD/USD BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Australian dollar/US dollar herein referred to as “AUD/USD” as quoted in U.S. dollars per Australian dollar obtained from the spot AUD/USD foreign currency market.

(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 AUD/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY AUD/USD BINARY CONTRACTS, 3 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than X .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$.

(22) In each case, "X" equals the last AUD/USD price rounded to the nearest 0.0020 as reported by the Source Agency.

(ii) WEEKLY AUD/USD BINARY CONTRACTS, 3 PM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - 0.0300$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - 0.0200$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - 0.0100$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y + 0.0100$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y + 0.0200$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Y + 0.0300$.

(8) In each case, "Y" equals the last AUD/USD price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(iii) INTRADAY AUD/USD BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1 - 0.0040.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 + 0.0040.

(4) In each case above, Z1 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY AUD/USD BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z2 - 0.0040.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 + 0.0040.

(4) In each case above, Z2 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY AUD/USD BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3 - 0.0040.

(2) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3.

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than Z3 + 0.0040.

(4) In each case above, Z3 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY AUD/USD BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 - 0.0040$.

(2) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4$.

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 + 0.0040$.

(4) In each case above, $Z4$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY AUD/USD BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z5 - 0.0040$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z5$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z5 + 0.0040$.

(4) In each case above, $Z5$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY AUD/USD BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z6 - 0.0040$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than $Z6$.

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z6 + 0.0040$.

(4) In each case above, $Z6$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(ix) Nadex may list additional AUD/USD 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 AUD/USD Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the AUD/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the AUD/USD Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the AUD/USD number as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the AUD/USD number is scheduled to be released.

(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 AUD/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the AUD/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(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.

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