



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

June 13, 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: Emergency Rule Certification: Nadex Submits its Intent to Amend the Expiration times for its Daily and Weekly Corn and Soybean Binary and Variable Payout Contracts– Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Stawick:

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 its intent to amend the Expiration times for its Daily and Weekly Corn and Soybean Binary and Variable Payout Contracts from 2:15pm ET to 3:00pm ET.

Nadex derives the Expiration Values for its Corn and Soybean contracts from a series of trade prices on the Chicago Board of Trade (CBOT[®]) corn and soybean futures contracts. On Friday, June 8, 2012, the CBOT submitted a filing providing notice that it would extend the close time for its grain futures contracts from 1:15pm CT to 2:00pm CT, effective June 25, 2012. The CBOT noted that this extension of trading hours is pending review by the Commodity Futures Trading Commission. Given the need to amend the Nadex contract terms to maintain a consistent expiration with the close of trading in the underlying futures market, Nadex cannot

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

wait the full notice period of 10 business days for a non-emergency self-certification of these amendments. Accordingly, Nadex is submitting this amendment as an emergency rule filing to be implemented pursuant to Regulation §40.6(a)(6), and its emergency authority under Nadex Rule 2.4(c)(iii) (due to a “circumstance that may materially affect the performance of the Contracts traded on Nadex”), to be effective Monday, June 25, 2012. In the event that the CFTC’s review of the CBOT’s submission results in a delay or cancellation of the change in open-outcry trading hours, Nadex will withdraw or amend this submission as appropriate.

This emergency action is authorized by the Chief Executive Officer and the Chief Regulatory Officer of Nadex per Nadex Rule 2.4. None of the currently listed Nadex Corn and Soybean contracts will be affected by this action, as those currently listed Daily and Weekly contracts will expire no later than Friday, June 15, 2012.

Extending the Nadex Corn and Soybean contracts hours may impact the following designated contract market core principles (“Core Principles”): Contracts Not Readily Subject to Manipulation, Monitoring of Trading, Execution of Transactions, Compliance with Rules, Protection of Market Participants, and Recordkeeping.

The Nadex Daily and Weekly Corn and Soybean contracts originally were designed to expire at the same time that open outcry trading in the underlying futures market concluded for the day, so this change simply continues that practice. By matching the expiration times of Nadex’s Daily and Weekly contracts to the daily closing time of the underlying futures markets, Nadex’s calculations of its Expiration Values can take into account the significant end-of-day activity in those markets, and minimize the potential for manipulation of the contracts’ Expiration Values. Extending the Corn and Soybean trading and Expiration time will not impact Nadex’s ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act (“CEA”). Nadex regulation staff will continue to monitor all market participants that trade during the extended 45 minutes to prevent manipulative trading and market abuse. The extended trading and Expiration time does not impact Nadex’s order execution, which will continue in the same manner as before. Chapter 5 of the Nadex Rulebook prohibits fraudulent, non-competitive, and unfair or abusive practices. These Rules continue to apply during the additional trading hours and extended Expiration time. Trading that occurs during the additional 45 minutes will continue to be subject to Nadex’s record retention policies which comply with the CEA.

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

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

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

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

Nadex hereby certifies that a copy of these additions 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)
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.12	Corn Variable Payout Contracts	Daily Contracts; 2:15pm ET Close Time	Amend Expiration Time from 2:15pm ET to 3:00pm ET.	06/25/2012
12.13	Corn Binary Contracts	Daily and Weekly Contracts; 2:15pm ET Close Time	Amend Expiration Time from 2:15pm ET to 3:00pm ET.	06/25/2012
12.14	Soybean Variable Payout Contracts	Daily Contracts; 2:15pm ET Close Time	Amend Expiration Time from 2:15pm ET to 3:00pm ET.	06/25/2012
12.15	Soybean Binary Contracts	Daily and Weekly Contracts; 2:15pm ET Close Time	Amend Expiration Time from 2:15pm ET to 3:00pm ET.	06/25/2012

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

EXHIBIT B**Amendment of Rules 12.12-12.15**

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

RULES 1.1 – 12.11 [Unchanged]

RULE 12.12 CORN VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), as calculated by Nadex using a proprietary algorithm which takes a sampling of prices¹ obtained from the specified Corn Futures contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)². The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CNFC delivery months (each a “CNFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the CBOT Corn March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Corn March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Corn March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Corn May 2012 futures, will be February 25, 2012.

(c) SOURCE AGENCY – The Source Agency is Nadex.

¹The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own settlement price.

² CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex or its products in any way.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

(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 Corn Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE CORN CONTRACTS, ~~2:15~~3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread Corn Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(aa) CAP – The Cap shall be $X + 20$.

(bb) FLOOR – The Floor shall be $X - 20$.

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

(2) In each case, “X” equals the last Corn price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY VARIABLE CORN CONTRACTS, ~~2:15~~3:00 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Corn Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACTS ‘NARROW SPREAD’

(aa) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 20$.

(bb) CONTRACT 2; The Cap shall be $X + 10$; The Floor shall be $X - 10$.

(cc) CONTRACT 3: The CAP shall be $X + 20$; The Floor shall be X .

(dd) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(2) In each case, “X” equals the last Corn price, as reported by the Source Agency rounded to the nearest 10.

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

(iii) 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 Corn Variable Payout Contracts shall be 0.10.

(h) REPORTING LEVEL – The Reporting Level for the Corn Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – The Position Limits for Corn Variable Payout Contracts shall be 62,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract 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 Corn 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 level of Corn as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CNFC trade prices just prior to the close of trading of the Corn Variable Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) CNFC trade prices, rounded to one decimal point past the precision of the underlying market.

(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 the Series.

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

RULE 12.13 CORN BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Corn Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), herein after referred to as “Corn”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices³ obtained from the specified Corn Futures Contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)⁴. The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CNFC delivery months (each a “CNFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the CBOT Corn March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Corn March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Corn contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Corn March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Corn May 2012 futures, will be February 25, 2012.

(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 Corn Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **DAILY CORN BINARY CONTACTS, ~~2:15~~3:00 PM ET CLOSE**

³*Supra, at fn 14.*

⁴*Supra, at fn 15.*

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X
– 14.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X
– 12.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X
– 10.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X
– 8.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X
– 6.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X
– 4.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X
– 2.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than X
+ 2.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
X + 4.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
X + 6.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
X + 8.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
X + 10.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
X + 12.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than
X + 14.
- (16) In each case, “X” equals the last Corn price rounded to the nearest one (1), as reported by the Source Agency.

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

(ii) WEEKLY CORN BINARY CONTRACTS, ~~2:15~~3:00 PM ET CLOSE

15. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y-
10. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y-
5. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y-
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Y.
5. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Y+
10. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y+
15. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y+

(8) In each case, “Y” equals the last Corn price rounded to the nearest 0.5, as reported by the Source Agency.

(iii) Nadex may list additional Corn 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 Corn Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the Corn Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT - The Position Limit for Corn Binary Contracts shall be 2,500 Contracts.

(j) LAST TRADING DATE - The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE - The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE - The Expiration Date of the Contract will be the date on which the Corn Expiration Value is released by the Source Agency.

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

(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 Corn Binary Contract is \$100.

(n) **EXPIRATION VALUE** - The Expiration Value is the level of Corn as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CNFC trade prices just prior to the close of trading of the Corn Binary Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CNFC trade Prices, rounded to one decimal point past the precision of the underlying market.

(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 12.14 SOYBEANS VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Soybeans Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices⁵ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading on the Chicago Board of Trade (CBOT®)⁶. The SBFC prices that will be used to calculate the Underlying will be taken from the January, March, May, July, August, September, or November SBFC delivery months (each a “SBFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the CBOT Soybeans March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Soybeans March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Soybeans March 2012

⁵The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

⁶CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex or its products in any way.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Soybeans May 2012 futures, will be February 25, 2012.

(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 Soybeans Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE SOYBEANS CONTRACTS, ~~2:15~~3:00PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread Soybeans Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(aa) CAP – The Cap shall be $X + 40$.

(bb) FLOOR – The Floor shall be $X - 40$.

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

(2) In each case, “X” equals the last Soybeans price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY VARIABLE SOYBEANS CONTRACTS, ~~2:15~~3:00 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Soybeans Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACTS ‘NARROW SPREAD’

(aa) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 40$.

(bb) CONTRACT 2: The Cap shall be $X + 20$; The Floor shall be $X - 20$.

(cc) CONTRACT 3: The CAP shall be $X + 40$; The Floor shall be X .

(dd) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(2) In each case, “X” equals the last Soybeans price, as reported by the Source Agency rounded to the nearest 10.

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

(iii) 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 Soybeans Variable Payout Contracts shall be 0.10.

(h) **REPORTING LEVEL** – The Reporting Level for the Soybeans Variable Payout Contracts shall be 1,562 Contracts.

(i) **POSITION LIMIT** – The Position Limits for Soybeans Variable Payout Contracts shall be 31,250 Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date of the Contract 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 Soybeans 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 level of Soybeans as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SBFC trade prices just prior to the close of trading of the Soybeans Variable Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(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 the Series.

RULE 12.15 SOYBEAN BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Soybean Binary Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices⁷ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading in the Chicago Board of Trade (CBOT®)⁸ The SBFC prices that will be used to calculate the Underlying will be taken from the January, March, May, July, August, September, or November SBFC delivery months (each a “SBFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the last Friday of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the CBOT Soybeans March 2012 futures have an Expiration Date of March 14, 2012. The last day on which the Soybeans March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Soybeans contracts will be the last Friday of the preceding month, February. Therefore, the End Date for using CBOT Soybeans March 2012 futures will be February 24, 2012 and the Start Date for using the next delivery month, CBOT Soybeans May 2012 futures, will be February 25, 2012.

(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 Soybean Binary Contract, the Payout Criteria for the Contracts will be set as follows:

⁷ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

⁸ CBOT® is a registered service mark of the Chicago Board of Trade. Nadex is not affiliated with the Chicago Board of Trade and neither the Chicago Board of Trade, nor its affiliates, sponsor or endorse Nadex in any way.

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

(i) DAILY SOYBEANS BINARY CONTRACTS, ~~2:15~~3:00 PM ET

CLOSE

21. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X -$
18. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X -$
15. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X -$
12. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X -$
9. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X -$
6. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X -$
- 3. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X .
- +3. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than X
- $X + 6$. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
- $X + 9$. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
- $X + 12$. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
- $X + 15$. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
- $X + 18$. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
- $X + 21$. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than

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

(16) In each case, “X” equals the last Soybean price rounded to the nearest one (1), as reported by the Source Agency.

(ii) WEEKLY SOYBEANS BINARY CONTRACTS, 2:153:00 PM ET

CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y - 30.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y - 20.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y - 10.
- (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 + 10.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y + 20.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y + 30.

(8) In each case, “Y” equals the last Soybean price rounded to the nearest 0.5, as reported by the Source Agency.

(iii) Nadex may list additional Soybean Binary Contract 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 Soybean Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the Soybean Binary Contract shall be 1750 Contracts.

(i) POSITION LIMIT - The Position Limit for Soybean Binary Contract shall be 2500 Contracts.

(j) LAST TRADING DATE - The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE - The Settlement Date will be the same date as the Expiration Date.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

(l) EXPIRATION DATE - The Expiration Date of the Contract will be the date on which the Expiration Value is released by the Source Agency.

(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 Soybean Binary Contract is \$100.

(n) EXPIRATION VALUE - The Expiration Value is the level of Soybeans as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SBFC trade prices just prior to the close of trading of the Soybean Binary Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(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.

RULES 12.16 – 12.78 [UNCHANGED]

The remainder of this page is intended to be left blank.