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OFFICE OF THE
SECRETARIAT

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August 12, 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: Weekly Notification of Rule Changes: Nadex Adds Strikes on a Discretionary Basis in its Korea 200 Daily Binary Contracts for Trade Date Tuesday, August 9, 2011 Only and Corrects a Non-Substantive Error in its Fee Schedule - Submission Pursuant to Commission Regulation §40.6(c) (Final Commission Rule Amendment §40.6(d), effective September 26, 2011)

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and section 40.6(c) of the current regulations¹ 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 its weekly notification of changes for the week commencing August 8, 2011 and ending August 12, 2011. Due to volatility in the underlying index markets and pursuant to Nadex Rule 12.57(f)(iii) Nadex has added twenty-six additional strike levels on a discretionary basis in its Korea 200 Daily Binary Contracts for trade date Tuesday, August 9, 2011 only. Nadex returned to its regular listing schedule on Wednesday, August 10, 2011 listing the regular number of strikes as set forth in Chapter 12 of the Nadex Rulebook. New strikes created for trade date Tuesday, August 9, 2011 are set forth in Exhibit A.

¹ The Commodity Futures Trading Commission has recently issued its final rules pertaining to the amendments of section 40.6. These final rules will become effective September 26, 2011, and section 40.6(c) referenced herein will be renumbered as 40.6(d).

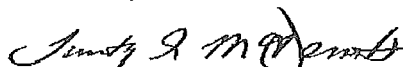
Additionally, Nadex corrects a non-substantive, typographical error to the portion of its new Fee Schedule for FCM Members registering with the Exchange after August 18, 2011. On July 14, 2011, Nadex submitted a self-certification of its new fee schedule for new members who join the Exchange on or after August 18, 2011. In that filing, Nadex failed to delete the references to settlement fees for customers of FCM Members holding a position which settled with a payout of less than \$0.35. Additionally, Nadex clarifies a footnote to its Fee Schedule Chart for Direct Members and FCM Members Registered On or Before August 17, 2011. The corrected Fee Schedule is attached in Exhibit B, where deletions have been stricken and additions underlined.

Nadex is submitting this correction under Commission Regulation 40.6(c) as this is a non-substantive revision to correct a typographical error and does not have an effect on the economic characteristic of any product.

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: DMOSubmissions@cftc.gov
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

Exhibit A

Korea 200 Additional Daily Binary Strikes Listed on August 9, 2011

- 1) Korea 200 (Sep) > 225.50 (2:05AM)
- 2) Korea 200 (Sep) > 226.00 (2:05AM)
- 3) Korea 200 (Sep) > 226.50 (2:05AM)
- 4) Korea 200 (Sep) > 227.00 (2:05AM)
- 5) Korea 200 (Sep) > 227.50 (2:05AM)
- 6) Korea 200 (Sep) > 228.00 (2:05AM)
- 7) Korea 200 (Sep) > 228.50 (2:05AM)
- 8) Korea 200 (Sep) > 229.00 (2:05AM)
- 9) Korea 200 (Sep) > 229.50 (2:05AM)
- 10) Korea 200 (Sep) > 230.00 (2:05AM)
- 11) Korea 200 (Sep) > 230.50 (2:05AM)
- 12) Korea 200 (Sep) > 231.00 (2:05AM)
- 13) Korea 200 (Sep) > 231.50 (2:05AM)
- 14) Korea 200 (Sep) > 232.00 (2:05AM)
- 15) Korea 200 (Sep) > 232.50 (2:05AM)
- 16) Korea 200 (Sep) > 233.00 (2:05AM)
- 17) Korea 200 (Sep) > 233.50 (2:05AM)
- 18) Korea 200 (Sep) > 234.00 (2:05AM)
- 19) Korea 200 (Sep) > 234.50 (2:05AM)
- 20) Korea 200 (Sep) > 235.00 (2:05AM)
- 21) Korea 200 (Sep) > 235.50 (2:05AM)
- 22) Korea 200 (Sep) > 236.00 (2:05AM)
- 23) Korea 200 (Sep) > 236.50 (2:05AM)
- 24) Korea 200 (Sep) > 237.00 (2:05AM)
- 25) Korea 200 (Sep) > 237.50 (2:05AM)
- 26) Korea 200 (Sep) > 238.00 (2:05AM)

Exhibit B

Nadex Fee Schedule

Registered On or Before August 17, 2011

Direct Trading Members

- Membership Fee:
 - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
 - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
 - Direct Trading Members incur an Exchange trading fee of \$1.00 per contract per side for each trade executed on Nadex; on orders of 7 contracts or more, trading fees in connection with the execution of that order are capped at \$7.00.
 - Direct Trading Members incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.
- API Connection:
 - Direct Trading Members connecting via API incur an Exchange trading fee of \$1.50 per contract per side for each trade executed on Nadex.
 - Direct Trading Members connecting via API incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
 - Nadex charges Direct Trading Members connecting via API no fee for contracts that settle out-of-the-money.
 - Nadex charges Direct Trading Members connecting via API no fee for orders placed, cancelled or amended.
 - Nadex provides a rebate to Direct Trading Members connecting via API based on the number of Bull Spread Contracts traded during any one-month period (first trading day of a calendar month through the last trading day of that month) according to the following schedule:
 - 5,000 or fewer Bull Spread lots traded in a one-month period = no rebate for that month;
 - 5,001 to 10,000 Bull Spread lots traded in a one-month period = 33% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month;
 - More than 10,000 Bull Spread lots traded in a one-month period = 50% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month.

- Nadex does not provide a rebate to Direct Trading Members connecting via API for Binary Contracts traded.

FCM Members

- **Membership Fee:**
 - Nadex does not charge a FCM Membership fee to join the Exchange.
- **Minimum Balance:**
 - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- **Transaction Fees:**
 - Nadex charges FCM Members an Exchange trading fee of \$0.35 per contract per side for each trade executed on Nadex.
 - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.35 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended

Market Makers

- **Membership Fee:**
 - Nadex does not charge Market Makers a membership fee.
- **Minimum Balance:**
 - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- **Transaction Fees:**
 - Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
 - Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.50 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.

System Providers

- Nadex is interested in discussing partnership opportunities with systems providers.

Anyone interested in becoming a Nadex FCM Member or market maker or pursuing a partnership as a systems provider should contact us.

August 11, 2011

Nadex Fee Schedule
Registered On or After August 18, 2011*

Direct Trading Members

- Membership Fee:
 - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
 - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
 - Direct Trading Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
 - \$0.90 for each lot traded from 1 up to and including 10 lots,
 - an additional \$0.60 for each lot traded from 11 up to and including 20 lots,
 - an additional \$0.40 for each lot traded from 21 up to and including 50 lots, and
 - an additional \$0.25 for each lot traded over 50 lots.
 - Direct Trading Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
 - \$0.90 for each lot settled in-the-money from 1 up to and including 10 lots,
 - an additional \$0.60 for each lot settled in-the-money from 11 up to and including 20 lots,
 - an additional \$0.40 for each lot settled in-the-money from 21 up to and including 50 lots, and
 - an additional \$0.25 for each lot settled in-the-money over 50 lots.
 - If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.
- Automated Trading via API Connection:
 - Automated trading by Trading Members via API connection incurs an Exchange trading fee of \$1.50 per contract per side for each trade executed.
 - Settlements in connection with automated trading by Trading Members via API connection incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money. If the per-contract payout is greater than \$0, but the total fee to be charged for the net position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

- Settlements in connection with automated trading by Trading Members via API connection incur no fee for contracts that settle out-of-the-money.
- The placement, cancellation or amendment of orders in connection with automated trading by Trading Members via API connection incurs no fee.
- Nadex provides a rebate to Direct Trading Members connecting via API based on the number of Bull Spread Contracts traded during any one-month period (first trading day of a calendar month through the last trading day of that month) according to the following schedule:
 - 5,000 or fewer Bull Spread lots traded in a one-month period = no rebate for that month;
 - 5,001 to 10,000 Bull Spread lots traded in a one-month period = 33% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month;
 - More than 10,000 Bull Spread lots traded in a one-month period = 50% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month.
- Nadex does not provide a rebate to Direct Trading Members connecting via API for Binary Contracts traded.

FCM Members

- Membership Fee:
 - Nadex does not charge a FCM Membership fee to join the Exchange.
- Minimum Balance:
 - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- Transaction Fees:
 - FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
 - \$0.35 for each lot traded from 1 up to and including 30 lots,
 - an additional \$0.30 for each lot traded from 31 up to and including 50 lots, and
 - an additional \$0.25 for each lot traded over 50 lots.
 - ~~Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (positions that settle with a payout of less than \$0.35 are not charged a settlement fee).~~
 - FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
 - \$0.35 for each lot settled in-the-money from 1 up to and including 30 lots,
 - an additional \$0.30 for each lot settled in-the-money from 31 up to and including 50 lots,
 - an additional \$0.25 for each lot settled in-the-money over 50 lots.
 - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money. If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position

exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

- Nadex charges no fee for contracts that settle out-of-the-money.
- Nadex charges no fee for orders placed, cancelled or amended.

Market Makers

- **Membership Fee:**
 - Nadex does not charge Market Makers a membership fee.
- **Minimum Balance:**
 - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- **Transaction Fees:**
 - Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
 - Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.

System Providers

- Nadex is interested in discussing relationships with systems providers.

Anyone interested in becoming a Nadex FCM Member or market maker or pursuing a relationship as a systems provider should contact us.

August 18, 2011

*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

**Nadex Fee Schedule Chart 1:
Direct Members and FCM Members
Registered On or Before August 17, 2011**

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-7	\$1.00
Lots 7 and above	\$7.00 capped

FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.35

Direct Trading Member Connecting via API Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$1.50

SETTLEMENT FEES

Direct Member Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

FCM Member Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.35

Direct Trading Member Connecting via API Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

REBATES

Direct Trading Member Connecting via API Rebates**

Bull Spread Lots Traded per Calendar Month (first trading day of the month through last trading day of the month)	Rebate on total fees (trading fees plus settlement fees) for that month
Less than 5,000 Bull Spreads lots traded	0%
5,001 < Bull Spread Lots traded < 10,000	33%
More than 10,000 Bull Spread lots traded	50%

* Note that positions that settle with a payout of less than \$1.00 for Direct Trading Members, and less than \$0.35 for FCM Members, are not charged a settlement fee.

** There are no rebates to Direct Trading Members connecting via API for Binary Contracts traded.

**Nadex Fee Schedule Chart 2:
Direct Members and FCM Members
Registered On or After August 18, 2011***

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-10	\$0.90
Lots 11-20 (i.e. the next 10 contracts)	\$0.60
Lots 21-50 (i.e. the next 30 contracts)	\$0.40
Lots 51 and above	\$0.25

FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-30	\$0.35
Lots 31-50 (i.e. the next 20 contracts)	\$0.30
Lots 51 and above	\$0.25

Direct Trading Member Connecting via API Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$1.50

SETTLEMENT FEES

Direct Member Settlement Fees**

Lots Settled in-the-money	Fees Per Side
Lots 1-10	\$0.90
Lots 11-20 (i.e. the next 10 contracts)	\$0.60
Lots 21-50 (i.e. the next 30 contracts)	\$0.40
Lots 51 and above	\$0.25

FCM Member Settlement Fees**

Lots Settled in-the-money	Fees Per Side
Lots 1-30	\$0.35
Lots 31-50 (i.e. the next 20 contracts)	\$0.30
Lots 51 and above	\$0.25

Direct Trading Member Connecting via API Settlement Fees**

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

REBATES

Direct Trading Member Connecting via API Rebates***

Bull Spread Lots Traded per Calendar Month (first trading day of the month through last trading day of the month)	Rebate on total fees (trading fees plus settlement fees) for that month
Less than 5,000 Bull Spreads lots traded	0%
5,001 < Bull Spread Lots traded < 10,000	33%
More than 10,000 Bull Spread lots traded	50%

*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

** If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

*** There are no rebates to Direct Trading Members connecting via API for Binary Contracts traded.