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December 19, 2012

Via E-Mail: [submissions@cftc.gov](mailto:submissions@cftc.gov)

Mr. David Stawick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington D.C. 20581

Office of the  
Secretariat

2012 DEC 20 PM 12: 28

Received  
CFTC

**RE: Notice of Emergency Action: Closing certain FTSE 100 and Germany 30 Daily and Intraday Contracts and cancelling certain open positions - 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 this notice of emergency action.

Nadex has closed certain daily and intraday markets in its FTSE 100 and Germany 30 Binary Contracts and Spread Contracts. This action was deemed necessary because the market maker for the FTSE 100 and Germany 30 Daily and Intraday Binary and Spread Contracts was unable to make a continuous bid-offer in those markets due to a lack of activity in the relevant underlying markets. Because the absence of a continuous market in these contracts was deemed to materially affect the performance of the Contracts traded on Nadex, Nadex is taking this action today pursuant to 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”) and 2.4(d), which allows Nadex to halt markets when deemed necessary to combat perceived threats to the market.

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

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Certain of the affected Daily or Intraday contracts had existing open interest at the time of this action was taken. As part of the emergency action, Nadex has cancelled these trades, including any associated fees, returning the affected parties to those trades to the status quo ante. Finally, Nadex expects this action to continue through tomorrow, with a resumption in the listing and trading of the FTSE 100 and Germany 30 Daily and Intraday Binary and Spread Contracts no later than trade date Friday, December 21, 2012.

Nadex has contacted all of the market participants who had open interest in the affected contracts and notified them of the cancellation of the trades that created the open interest. One participant raised an objection with respect to an open position that was profitable at the times pricing ceased and the market closed; Nadex did not receive any other objections regarding this action from any of the affected market participants. No substantive opposing views were expressed to Nadex with respect to this emergency action.

This emergency action is authorized by the Chief Regulatory Officer and the Chief Executive Officer of Nadex per Nadex Rule 2.4.

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 this amendment was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0171 or by email at [tim.mcdermott@nadex.com](mailto:tim.mcdermott@nadex.com).

Sincerely,



Timothy G. McDermott  
General Counsel and Chief Regulatory Officer

cc: [DMOSubmission@cftc.gov](mailto:DMOSubmission@cftc.gov)  
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)  
Riva Adriance – CFTC  
Nancy Markowitz – CFTC  
Lois Gregory – CFTC

Yossi Beinart - Nadex

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