

EXCHANGE ANALYTICS INC.

2021 Market Conduct Training Course Outline and Provider Qualifications

- I. Introduction**
 - a. Trade Rule Violations
 - b. Exchange Jurisdiction

- II. General and Administrative Offenses**
 - a. General Offenses CME & ICE
 - b. Sanctions
 - c. Accessing the Markets
 - d. Recordkeeping
 - e. Messaging Violations

- III. Trade Practice Violations**
 - a. Wash Sales
 - b. Disruptive Trading Practices
 - c. Orderly Execution
 - d. Spoofing
 - e. Rule 575
 - f. Supervisory Responsibilities
 - g. Indicative Opening Price/Quantity
 - h. User Defined Spreads
 - i. Trading at Settlement/Marker
 - j. Market Manipulation
 - k. Regulations 180.1 and 180.2
 - l. Insider Trading/ Misappropriated Information
 - m. Automated Trading Systems and High Frequency Trading

- IV. Noncompetitive Trading**
 - a. Buy and Sell Orders for Different Beneficial Owners
 - b. Pre-Arranged Trading
 - c. Pre-Execution Communications
 - d. Confidentiality
 - e. Block Trades/Quantity Thresholds
 - f. Block Trade Participants
 - g. Common Beneficial Ownership
 - h. Fair Pricing
 - i. Execution and Reporting
 - j. Reporting Mechanics
 - k. Unfair Advantage
 - l. Reporting Responsibility
 - m. Documentation and Record Retention
 - n. Exchange for Related Positions

V. Recordkeeping and Reporting Violations

- a. Position Limits/Multiple Positions
- b. Large Trader Reporting
- c. American-Style Options on Futures

VI. Disruptive Trading Cases

VII. Trade Practice Quiz

About the Course Authors

Marc Nagel serves as an advisor to Exchange Analytics and was the main course author. Mr. Nagel recently retired as Chief Operating Officer and Chief Compliance Officer of a clearing Futures Commission Merchant. He serves on the Futures Commission Merchant Advisory Committee of the National Futures Association and on the Advisory Board of the IIT- Chicago Kent College of Law Futures and Derivatives Conference. Mr. Nagel is employed as a futures industry compliance consultant and expert witness. He is a licensed CPA and attorney, admitted to the State of Illinois Supreme Court, the U.S. District Court for the Northern District of Illinois, and the U.S. Tax Court. Mr. Nagel is a registered Floor Broker and has held various Exchange memberships since 1979. Mr. Nagel received his BS in Accountancy and CPA from the University of Illinois and his JD from IIT/Chicago Kent College of Law.

Lawrence D. Israel served as co-author. He has been continuously registered with the National Futures Association from March 11, 1981 through the present, and is a 30 year member of the Chicago Board of Trade. During that time Mr. Israel has been extensively involved in the futures and securities industry, serving on a variety of committees at the CBOT, including Arbitration and Education. In 2008 Mr. Israel was appointed to both the Business Conduct Committee and Probable Cause Committee of the Chicago Board of Trade/CME Group. Mr. Israel was Chairman of the Associate Members Committee (financial traders), and serves as an Arbitrator for the National Futures Association. He has served as an expert witness in both Federal Court and arbitrations in disputes involving futures trading, as well as testifying in criminal proceedings for the United States Department of Justice. Mr. Israel served as an adjunct lecturer at Northwestern University where he taught courses about the futures, securities and options markets. Mr. Israel earned his BS in Economics from the University of Illinois Champaign-Urbana and his MBA from the University of Chicago. He is a Certified Anti-Money Laundering Specialist.