

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5315 / August 5, 2019

IN THE MATTER OF
JDC-JSC LP
900 THIRD AVENUE
SUITE 1100C
NEW YORK, NY 10022

ORDER GRANTING
REGISTRATION PURSUANT TO
SECTION 203(c) OF THE
INVESTMENT ADVISERS
ACT OF 1940

(801-117067)

JDC-JSC LP (“Applicant”) filed an application for registration as an investment adviser under Section 203(c) of the Investment Advisers Act of 1940 (“Advisers Act”) on June 27, 2019 (the “Application”). On January 5, 2017, the United States District Court for the Southern District of New York entered a consent order reflecting a settlement between Applicant’s controlling owner, Jon S. Corzine (“Corzine”) and the Commodity Futures Trading Commission (“CFTC”), enjoining Corzine from certain activities regulated under the Commodity Exchange Act (“Consent Order”). As part of its application, Applicant has agreed to certain conditions to which the registration, if granted, would be subject.

The Commission has found that the application contains the information prescribed under Section 203(c) and the rules thereunder. The Commission has not passed on the accuracy or adequacy of the information, and the effectiveness of Applicant's registration does not imply Commission approval or disapproval. Accordingly,

IT IS ORDERED, pursuant to Section 203(c)(2)(A) of the Advisers Act, that the Applicant's registration hereby is granted, effective forthwith, subject, so long as Corzine remains a person associated with Applicant, to the following conditions:

1. Sophistication of clients, fund investors and related disclosures.
 - (a) Applicant’s clients will be (i) private funds that qualify for the exception to the definition of investment company provided by Section 3(c)(7) of the Investment Company Act of 1940 (“Company Act”), or (ii) qualified institutional buyers as defined in Rule 144A(a)(1) under the Securities Act of 1933.
 - (b) Applicant will include in its brochure pursuant to Part 2A of Form ADV (“brochure”) plain English descriptions of, or the text of, the conditions of this Order material to its current and prospective clients and investors in the private

fund clients it advises. Beginning upon the publication of this Order on the Commission's website, Applicant will also include in its brochure both an electronic link to and the address of this Order on the Commission's website.

- (c) Applicant will cause its brochure to be provided to investors in its private fund clients on the same terms and schedule as it is required in accordance with the instructions to Form ADV to provide the brochure to its clients.

2. Trading parameters.

- (a) The Applicant will at all times have a reasonable basis to expect that each private fund client and other client portfolios under normal conditions could be orderly liquidated within five trading days.
- (b) Applicant will operate consistent with the Consent Order, in which Corzine agrees not to engage in activity requiring registration with the CFTC.
- (c) Applicant will not engage in proprietary trading, and Applicant's policies and procedures on personal trading will be reasonably designed to prevent persons associated with Applicant from investments that conflict with Applicant's trading recommendations to, or trading on behalf of, Applicant's clients.

3. Cash and securities transfers and custody.

- (a) Each of Applicant's private fund clients will condition the right of an investor to withdraw on 65 days' advance notice; however, Applicant may agree with one or more investors to not less than 30 days' advance notice. Each private fund client will have an independent administrator that handles subscriptions, redemptions, and cash and other reconciliations, and Corzine will not be involved in the handling of subscriptions, redemptions or cash or other reconciliations.
- (b) Applicant will adopt cash management procedures reasonably designed to protect client funds and securities, and where Applicant authorization of such movements is sought or required it will be provided by a senior employee other than Corzine or by a person that only a senior employee other than Corzine may direct with respect to such authorizations.
- (c) Applicant will not have custody for purposes of Rule 206(4)-2 of clients' funds and securities unless the client is a private fund.

4. Governance of Applicant will be organized as follows.

- (a) Applicant will maintain an advisory board that also serves as an advisory board for each private fund client.
 - i. Only one member of the advisory board will be an executive officer of Applicant, typically the chief compliance officer ("CCO"). A majority of the advisory board will not be "interested persons" of Applicant within the

meaning of Section 2(a)(19) of the Company Act, which determinations have been made, and upon any change in composition will (for so long as the Consultant is serving) be made, in consultation with the Consultant (defined below). Corzine will not have the power to terminate members of the advisory board. The advisory board itself will select any future members of the advisory board. Applicant will notify the Commission staff promptly of any change in the membership of the advisory board.

- ii. The advisory board will have access to all materials provided to and produced by the compliance committee and be responsible for supervising the compliance committee, including the review of its decisions as appropriate and of the CCO's performance.
 - iii. The advisory board will be notified of any termination of a client that is not a private fund, and review the circumstances, issues and recommendations related thereto. The Consultant for so long as it is serving will similarly be notified and participate in the review and resolution.
- (b) Applicant will maintain a compliance committee.
- i. The members will be employees of Applicant, subject to section 5 below, and the chair will be Applicant's CCO. The compliance committee may, at its discretion, exclude Corzine from attending any of its meetings.
 - ii. The compliance committee will review (i) the compliance policies and procedures for their reasonable design, (ii) the adequacy of such policies and procedures, (iii) the effectiveness of their implementation, and (iv) other compliance-related issues, such as weaknesses, violations and corrective actions.
- (c) Applicant has adopted and will maintain policies and procedures reasonably designed to prevent violations of the conditions of, and undertakings in, the Consent Order. Applicant will not rely on any exemption from CFTC registration that is conditioned on investment adviser registration with the Commission.
- (d) The CCO is responsible for overseeing compliance with the conditions in this Order. The CCO's responsibilities include ensuring that Applicant's activities are consistent with the Consent Order. The CCO will report exclusively to the advisory board with respect to his or her compliance officer functions. The advisory board must consent to the dismissal and replacement of the CCO.
- (e) Applicant will notify and consult with the Commission staff if the CCO is replaced.
- (f) Applicant will engage, and retain for at least two years from the date of this Order an independent compliance consultant ("Consultant") to aid in Applicant's compliance program.

- i. The Consultant will act as consultant to Applicant's compliance committee and assist the CCO with all compliance-related issues and day-to-day compliance functions including but not limited to design and testing of Applicant's policies and procedures. The CCO will report any breach of controls promptly to the Consultant.
 - ii. The Consultant will test the following at least quarterly and will create records documenting such testing, which will be retained as JDC's records: (i) cash movements for compliance with Applicant's cash movement policy; (ii) trade activity for compliance with trading guidelines and limits; (iii) trade allocations for compliance with Applicant's policy; and (iv) emails and certain reporting (such as personal securities and political contributions) for compliance with Applicant's code of ethics. In addition, together with Applicant, the Consultant will review Applicant's compliance policies and procedures for their adequacy and effectiveness, at least quarterly and in addition to the annual review required pursuant to Rule 206(4)-7(b) under the Advisers Act, and will create records documenting such review, which will be retained as JDC's records.
 - iii. The Consultant will conduct the following compliance trainings: (i) prior to the issuance of this Order, training to all staff to review the compliance policies and procedures, legal and regulatory requirements that apply upon registration; (ii) approximately six months following issuance of this Order (or as needed), training to all staff to reinforce the compliance policies and procedures, including any updates to policies and procedures, legal and regulatory requirements; (iii) new hire training (as needed); and (iv) annual training of all staff.
5. Corzine is subject to the following limitations on his activities as a person associated with Applicant:
 - (a) Corzine will not be a member of the advisory board.
 - (b) Corzine will not be a member of the compliance committee, will have no supervisory authority over the committee or the compliance officer functions of the CCO, and will submit any reporting required by applicable laws, rules, policies or procedures or requested by the committee to such committee; and

- (c) Corzine will not be a signatory on any client account, will comply with Applicant's cash management procedures, and will not have supervisory authority over movements of any cash.

For the Commission, by the Division of Investment Management, under delegated authority.

Jill M. Peterson
Assistant Secretary