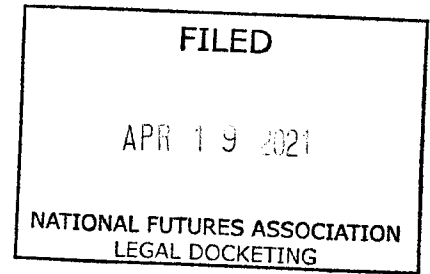


**NATIONAL FUTURES ASSOCIATION  
BEFORE THE HEARING PANEL**



In the Matter of: )  
)  
JDN CAPITAL LLC )  
(NFA ID #516653) )  
)  
and )  
)  
JOSHUA DAVID NICHOLAS )  
(NFA ID #498951) )

NFA Case No. 20-BCC-016

**DECISION**

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee (BCC) of National Futures Association (NFA) against JDN Capital LLC (JDN Capital) and Joshua Nicholas (Nicholas), and having considered the Offer of Settlement (Offer) submitted by JDN Capital and Nicholas, and having accepted their Offer, the Hearing Panel hereby issues this Decision as to them.

I

**ALLEGED VIOLATIONS OF NFA REQUIREMENTS**

On December 8, 2020, the BCC issued a Complaint against JDN Capital, a former NFA Member commodity trading advisor located in Stuart, Florida. The Complaint also named Nicholas as a respondent. Nicholas was JDN Capital's sole associated person and principal, and a former NFA Associate.

JDN Capital and Nicholas withdrew their NFA membership statuses prior to the issuance of the Complaint. However, before JDN Capital and Nicholas withdrew their NFA membership status, they were the subjects of a Member Responsibility Action and Associate Responsibility Action (MRA/ARA) issued by NFA's Executive

Committee on September 11, 2020. The MRA/ARA was issued because JDN Capital and Nicholas failed to fully cooperate with NFA in an investigation of them by failing to provide requested documents and information to enable NFA to determine what JDN Capital and Nicholas did with the proceeds of a \$300,000 loan they obtained in May 2020 from a retired couple who were former managed account customers of JDN Capital. Following the issuance of the MRA/ARA, Nicholas repaid the \$300,000 loan to the retired couple and NFA obtained the information that it sought during the investigation, though not from JDN Capital and Nicholas. Therefore, NFA's Executive Committee terminated the MRA/ARA on November 16, 2020. On the same day, the membership withdrawals of JDN Capital and Nicholas became effective.

After the MRA/ARA was terminated, the BCC issued the Complaint in this proceeding. The Complaint charged JDN Capital and Nicholas with violations of NFA Compliance Rule 2-5 based on their failure to cooperate promptly and fully with NFA during the investigation of them and charged Nicholas with a further violation of NFA Compliance Rule 2-5 based on his failure to comply with a trading restriction imposed under the MRA/ARA. The Complaint also charged JDN Capital and Nicholas with violations of NFA Compliance Rule 2-4 based on their failure to observe high standards of commercial honor and just and equitable principles of trade through their course of conduct involving the retired couple. Finally, the Complaint charged Nicholas with violations of NFA Compliance Rule 2-2(f) based on his providing false and misleading information to NFA during the investigation.

## II

### **OFFER OF SETTLEMENT**

JDN Capital and Nicholas submitted an Offer in which they neither admitted nor denied the allegations of the Complaint and proposed to settle the charges against them on the following terms:

1. JDN Capital agreed not to reapply for NFA membership or to act or be listed as a principal of an NFA Member at any time in the future.
2. Nicholas agreed not to apply for NFA membership or reapply for NFA associate membership for a period of eight (8) years from the effective date of a Decision accepting the Offer.
3. Nicholas also agreed to pay a fine of \$125,000 to NFA if, after the expiration of the eight-year period referenced above, he applies for NFA membership or reapplies for NFA associate membership, which fine is due and payable in full on or before the date of his application. Nicholas acknowledged that any future application for NFA membership status would not be considered or approved until such fine has been paid in full.
4. Nicholas further agreed not to act or become a principal of an NFA Member at any time in the future.

JDN Capital and Nicholas also acknowledged in the Offer that any Decision issued by the Hearing Panel accepting the Offer may include findings that Nicholas committed the violations alleged against him in the Complaint, but without an admission or a denial by Nicholas of any such findings.

## III

### **FINDINGS**

The Hearing Panel finds that Nicholas violated NFA Compliance Rules 2-2(f), 2-4, and 2-5, as alleged against him in the Complaint.

## IV

### PENALTY

Having considered this matter and having accepted the Offer made by JDN Capital and Nicholas, the Hearing Panel hereby orders as follows:

1. JDN Capital shall not reapply for NFA membership or act or be listed as a principal of an NFA Member at any time in the future.
2. Nicholas shall not apply for NFA membership or reapply for NFA associate membership for a period of eight (8) years from the effective date of this Decision.
3. If Nicholas applies for NFA membership or reapplies for NFA associate membership after the expiration of the eight-year period referenced above, Nicholas shall pay a fine of \$125,000 to NFA, due and payable in full on or before the date of his application. No action shall be taken on any future application of Nicholas for NFA membership status until such fine has been paid in full.
4. Nicholas shall not act or become a principal of an NFA Member at any time in the future.

This Decision and the Offer shall not be used as a sole basis for any other action or proceeding by NFA against JDN Capital and/or Nicholas, including any registration matter, except this Decision and the Offer may be used in an action to enforce the terms thereof or in a subsequent disciplinary action or regulatory action, where they may be considered as evidence in aggravation on the issue of sanctions.

## V


### INELIGIBILITY

Pursuant to Commodity Futures Trading Commission (CFTC) Regulation 1.63, this Decision and the sanctions imposed herein render Nicholas ineligible to serve on a disciplinary committee, arbitration panel, oversight panel, or governing board of any self-regulatory organization, as that term is defined in CFTC Regulation

1.63, until the later of eight years after the effective date of this Decision or until he has satisfied all the sanctions and conditions imposed by this Decision.

**NATIONAL FUTURES ASSOCIATION  
HEARING PANEL**

Date: April 19, 2021

By:   
Chairperson

m/cxc/decisions/JDN Capital, et al Decision final